



PORT DIGEST

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The Official Newsletter of the Bureau of Customs

Lapeña: McLaren, other supercars in BOC custody still under litigation



Twenty-two luxury vehicles including high-end sports cars known as supercars which were alerted on separate occasions at the Manila International Container Port (MICP) are the subjects of ongoing litigation at the Bureau of Customs.

One brand new McLaren, two units brand new 2017 Chevrolet Camaro - both considered supercars, two units

brand new 2017 Range Rover, one brand new 2017 Land Rover Evoque, 12 units brand new Toyota Land Cruisers -- all consigned to Gamma Gray Marketing are undergoing legal proceedings. The MICP Law Division is expected to resolve the dispute.

Supercars 2005 Ferrari F430 2006 and Lamborghini Murcielago consigned to Mary Joy Aguanta and

Veronica Angeles, respectively, were declared forfeited in favor of the government by the MICP. However, the case is under appeal proceedings after the importers filed an appeal.

Also considered supercars, one Lamborghini Gallardo and one Rolls Royce consigned to Allan Usman Garcia and Roy Garchitorea, respectively, were were alerted in

February 2018 and are now under examination and verification of import documents. A warrant of seizure and detention will be issued once the customs authorities find a probable cause to issue the same.

Customs chief Isidro S. Lapeña commits that the Bureau will be steadfast in facilitating the disposition

(See **McLaren** page 6)

BOC Execs sworn in



Deputy Commissioner of Management Information Systems and Technology Group Noel Patrick Prudente; Enforcement and Security Service Director Yogi Filemon Ruiz; Customs Intelligence and Investigation Service Director Adzhar Albani; and Imports and Assessment Service Director Jeoffrey Tacio are officially onboard the Bureau of Customs.

CBRNE at Port of Davao



Officials and employees of the Bureau of Customs-Port of Davao, led by District Collector lawyer Erastus Sandino Austria, attended the seminar and operational exercises on detecting and identifying chemical, biological, radioactive, nuclear, and explosive (CBRNE) weapons.

"With Martial Law in place, this activity is timely and relevant to further prevent the proliferation of weapons of mass destruction and reduce the threat of terrorism in Mindanao," Austria said.

NAIA Customs Dialogue



Officials of the Bureau of Customs attended the NAIA Customs and Business Dialogue held on February 13 at the New World Manila Bay Hotel to discuss streamlined processes at the BOC-NAIA.

NAIA District Collector lawyer Vincent Philip Maronilla, NAIA Deputy Collector for Assessment Segundo Barte, Jr, and MISTG System Management Division Chief Nomie Gonzales were invited to share updates and reports on CMTA Airfreight and related provisions, updates on the Airfreight Manifest, and the BOC NAIA visions and plans for 2018.

BOC seizes P8.65-M gluta products at NAIA

The Bureau of Customs - Ninoy Aquino International Airport (NAIA) seized 48 cartons of glutathione and beauty products valued at P8.65 million after the consignee misdeclared the items as personal effects.

Packages of James Malinao Halasan flew from Bangkok, Thailand to Manila on board PR731 on February 13 but an alert order was issued by lawyer Vincent Phillip Maronilla, district collector of NAIA for alleged misdeclaration.

Two shipments of Halasan weighing 927 kg and 1,120 kg which were filed under informal entry showed image irregularities during the x-ray examination.

Halasan, according to report, resides at 11A16 Victoria 1 GMA Kamuning, Quezon City. The customs

broker was identified as Isagani Cortez.

According to the customs chief, Isidro Lapena, the customs examiner in the presence of the agents of Enforcement and Security Service, X-ray Inspection Project, and Customs Anti-Illegal Drugs Task Force physically examined the packages and soon found out the misdeclared items.

Another shipment of Halasan was placed on hold by the BOC-NAIA which were declared as personal effects but was suspected to contain the same misdeclared beauty products.

"To ensure that his packages will not slip under our sleeves, BOC already issued an alert order on the remaining 8 packages," Lapena said.

The authorities of BOC-NAIA are waiting for reckoning date of



abandonment to seize the packages.

"The value of the remaining 501 kilos will be determined once the inventory is done," he added.

It will be subject to seizure for the

violation of section 1400 of RA 10863, Commissioner Lapena said.

The goods are now placed in the Collector's Coral awaiting for further disposition.

STATEMENT OF BOC-PORT OF CLARK IN RESPONSE TO THE FACEBOOK POST OF WOO SEONKYUNG ON HER HELD ARTICLES/GOODS AT THE CLARK INTERNATIONAL AIRPORT

"This is to address the Facebook post made by Woo SeonKyung and currently making rounds over social media and which has drawn negative reactions from netizens. It is equally important for the Bureau to shed light on the matter to avoid further misinformation.

"We, at the Bureau of Customs-Port of Clark would like to inform the public of what actually transpired on February 12, 2018 when Ms. SeonKyung arrived at the Clark International Airport on board Jin Air, flight number LJ023.

"As a matter of procedure, Ms. SeonKyung had to pass through the Customs Arrival Area to determine if she had with her any taxable items. When she was asked as to the value of the bag and cosmetic products she was carrying, she presented a receipt with a total amount of USD 677.00.

"The Customs examiner on duty, Ramon Mindanao showed her the amount of customs duties and taxes in the amount of Php 6,941.00 which is based on the rate of duty, Value-added tax, and customs documentary stamp.

"Unfortunately, Ms. SeonKyung refused to pay the said customs duties and taxes claiming that the goods were bought at Incheon Korea Duty Free Shop. Customs Examiner Mindanao explained to her that the value of the bag and cosmetic products exceed the P10,000.00 limit which would not qualify for De Minimis importation, therefore duties and taxes are imposed on said imported goods as provided in Sections 104 and 423 of Customs Modernization and Tariff Act (CMTA).

"Mr. Mindanao further informed

Ms. SeonKyung that it is the mandate of the Bureau of Customs to impose and collect lawful duties and taxes on importable goods unless it is tax and duty free.

"In compliance to the Philippine customs procedures, the bag and the cosmetic products were held and a Held Baggage Receipt was issued but Ms. SeonKyung refused to sign the (green) copy of the receipt.

"It was not true that she and her husband waited for the customs examiner for several hours, waiting for the release of the said items. They were informed that the items will be released only upon payment of the duties and taxes.

"Passenger SeonKyung and husband were treated with utmost courtesy and respect and politely explained to them the situation.

"We would like to put on record

that Customs personnel at the Clark International Airport only implements the customs laws, rules, and regulations, and impose lawful customs duties and taxes where applicable, and the same customs laws and rules are imposed upon arriving passengers, Filipinos and foreigners alike.

"As to the alleged lost watch and electronic cigarettes, this is under the watch of the Office for Transportation Security (OTS) of the Department of Transportation (DOTr) and we highly recommend reviewing the CCTV footages in order to find out what really happened to the alleged missing items.

"The Bureau of Customs-Port of Clark personnel only conduct what our mandate requires us. The netizens and the public also deserve the true and right information."

Tax Credit Certificate Tax Refund Awarding

To address transparency in the release of tax credit certificates, Bureau of Customs publicly awarded companies during the regular flag raising ceremony.

TCCs are documents issued by BOC or issued jointly by BOC and Department of Finance to refund taxes paid by big companies for cases of excess duties, canceled importation, or due to VAT input, or output tax.



**EXCERPTS FROM THE SPEECH
OF COMMISSIONER ISIDRO S.
LAPEÑA DURING BOC 116TH
ANNIVERSARY CELEBRATION
WITH PRESIDENT
RODRIGO ROA DUTERTE**

February 6, 2018
3 PM in One Direction
Port Area, Manila

the drug problem, when I was the head of the Philippine Drug Enforcement Agency, and now corruption, as the Commissioner of the Bureau of Customs.

"Stop corruption and increase revenue earnings." This was my marching order from the President five months ago. I was faced with the tremendous challenge of leading the bureau of customs, addressing corruption and achieving its collection target, which are the very

revenue collection, through strategic and effective policy reforms.

Under stop corruption, I have implemented No tara, No pasalubong, No gift and No take policy. I have given the Bureau of Customs officials a clean slate and I have work within the bureau, but I have also implemented one strike policy.

There is now transparency in the awarding of Tax Credit Certificates. The awarding is witnessed by the public. When I assumed, I was

performance, the Bureau of Customs posted a milestone in the last quarter of 2017, by achieving an all-time high collection. That is, after I assumed as Commissioner.

From the average monthly collection of P35 billion, in September 2017, we were able to collect P40.26 billion, in October P42.92 billion, in November P46.36 billion and in December P44.45 billion. These collections are all time high in the history of the Bureau of Customs.



- Our President, Mayor Rodrigo Roa Duterte;
- Secretary Carlos Dominguez of the Department of Finance;
- Heads of agencies;
- The members of the Diplomatic corps;
- Our Awardees;
- The officers, men and women of the Bureau of Customs;
- Our friends from the media;
- My wife, Becky;
- Ladies and gentlemen, magandang hapon po sa inyong lahat.

Today marks another milestone for the Bureau of Customs as we celebrate our 116th anniversary.

It has been my honor and privilege, to have been chosen by the President, to serve as the Commissioner of the Bureau of Customs. My deepest gratitude to Mayor Rodrigo Roa Duterte, the President of the Philippines, for the trust and confidence he has bestowed upon me, to address two of the top priority concerns of his administration; first is

core of the problems besetting the bureau.

Guided by the President's marching order, to institute the necessary reforms in the Bureau, I have implemented my five-point priority program, that aims to 1) stop corruption, 2) increase revenue collection, 3) ensure trade facilitation, 4) strengthen anti-smuggling efforts and, 5) enhance personnel incentives, rewards system and compensation benefits for the members of the Bureau of Customs.

For the Bureau of Customs, it has been more than a century of journey. While for me, it is close to a five-month challenging, but very inspiring journey.

Today, is indeed an occasion to pause, look back and celebrate.

I am happy to report Mr. President, that through the support of the good officers, men and women of the Bureau of Customs, the last quarter of 2017 was remarkable for many reasons. We achieved positive changes in our reform efforts and

informed that tax credit certificates are a source of "pasalubong" to the Commissioner. That has to stop. As part of my transparency effort, I award the tax credit certificates during Monday flag raising ceremony. So far, we have awarded P2.7 billion tax credit certificates and P966 million cash refund to various importers. I have likewise reconstituted the tax credit certificate committee to evaluate and process the requests.

I have issued a memorandum creating the Interim Internal Affairs and Integrity Unit. It is an investigative body created to stop illicit activities of customs officials and employees, and strengthen the disciplinary actions against erring personnel.

I am strengthening the Bureau of Customs CARES or BOC CARES. The Bureau's assistance and feedback mechanism, to promote transparency and help the public in answering their queries and reports on the Bureau of Customs related concerns.

As to our revenue collection perform

Upon my assumption on August 30, 2017, the Bureau has a deficit of P20 billion for the first eight months. And at the end of the year, for the next four months, we were able to reduce the deficit to P10 billion.

Our revenue performance in 2017 is an impressive 98 percent compared with 81 percent in 2015 and 80 percent in 2016.

The significant increase in revenue collection is attributed to the efficient application of correct valuation of imported goods, as a result of my rigid directive to stop the practice of benchmarking and flow of grease money or tara.

My third priority program is to enhance trade facilitation. I have abolished the Command Center and have authorized all District Collectors to issue alert order. The inspection of shipments was made efficient by ensuring that all x-ray machines are operational 24/7, we are strictly observing the timeline in examining alerted shipment which is 24 hours for

(continued on page 5)





Condemnation of Seized Motor Vehicles

The Bureau of Customs destroyed thru condemnation 20 luxury cars worth P61,626,000.00 which include used Lexus, BMW, Mercedes Benz, Audi, Jaguar, and Corvette Stingray.

Port of Davao and Port of Cebu also condemned at their respective areas, 10 luxury cars such as Mercedes Benz, Toyota Land Cruiser, Audi and Jeep Wrangler.

DESCRIPTION OF 20 SMUGGLED LUXURY MOTOR VEHICLES CONDEMNED IN MANILA

- Used Lexus ES300 1996
- Used BMW Alpina
- Used Honda Odessa
- Used Mini Pajero
- Used Mazda Roadster
- Used Mitsubishi MMC
- Used Toyota SW Towage Noah
- Used Corvette Stingray
- Used 2007 Mercedes Benz S550
- Used Ford Explorer Base 3 SL

- Used Nissan 350Z
- Used 1995 Mercedes Benz C280
- Used BMW 745
- Used BMW 745Li
- Used Hyundai Equus JS350
- Used Audi A6 CUATRO
- Used BMW Z4
- Used Jaguar Type S
- Used 2 Units Pajero

DESCRIPTION OF 10 SMUGGLED LUXURY VEHICLES CONDEMNED IN PORT OF DAVAO AND PORT OF CEBU

PORT OF DAVAO

- Used Toyota Tundra
- Used Mercedes Benz 2012 Model
- 2 Units Brand New Toyota Land Cruiser V8 2013

PORT OF CEBU

- Used Audi S5
- Used 2012 Jeep Wrangler
- Used Mercedes Benz CLK 350



SPEECH OF COMMISSIONER ISIDRO S. LAPEÑA

(continued from page 3)

perishable goods and 48 hours for non-perishable goods. Alert orders should not be feared by businessmen anymore.

Bureau of Customs offices are now mandated to strictly act on communications, requests and permits within 5 days, and I am closely monitoring these. Because I strongly believe that kung may delay, may kita.

I have implemented one assessment, no sectioning policy to address the suki system or collusion among importers, brokers, and customs employees.

To strengthen our anti-smuggling efforts, I immediately suspended the green lane to ensure that no illegal drugs and other contraband goods will pass through our ports.

We have improved our inspection capabilities through installation of additional nineteen (19) x-ray units at the Bureau of Customs in NAIA and Davao.

Various smuggled goods consisting of vehicles, fake products and agricultural products worth P37.88 billion have been seized in 2017 and P13 million in 2018.

On our efforts against erring importer and brokers, we have filed twelve (12) cases against importers before the Department of Justice in 2017. Smuggling charges were filed against two companies for illegal importation of various merchandise in 2018.

We have suspended the accreditation of 204 importers and 94 customs brokers for violations of customs laws. I have also limited the brokers representatives to only

three to ensure accountability among customs brokers.

My fifth priority program is to enhance personnel incentives, reward system, and compensation benefits. 563 personnel were promoted within the last quarter of 2017. The bureau opened 3,000 more positions which has not been filled up before for promotion and hiring.

To know the situation on the ground, we have visited 34 ports since I assumed as Customs Commissioner.

As part of my reform agenda, for 2018, I will be prioritizing the full automation of the Bureau of Customs systems. We are working closely with the World Bank for our comprehensive customs modernization plan. Institutional development includes the establishment of a Customs Academy with Subic as prospective location.

The Bureau will also form an anti-smuggling task force to have a dedicated unit to address the smuggling problem in the country.

To the officers, men and women of the Bureau of Customs, let us do things the right way. Let us move in one direction. So that we will regain the trust of the people, and stand as a pillar of the nation. Thank you for all your support and cooperation.

Mr. President, the Bureau of Customs is giving our full commitment to hit our 2018 collection target and deliver the must needed revenue to fund your priority programs.

Salamat, mabuhay po tayong lahat and Happy Anniversary!



Top Performing Ports Awarded

The following are the Top Performing Ports of 2017:

1. PORT OF BATANGAS which collected P115.424-B (10.4% above its target of P104.69-B)
2. PORT OF CEBU which collected P21.008-B(2.6% above its target of P20.49-B)
3. PORT OF DAVAO which collected P16.427-B(20.9% above its target of P13.59-B)
4. PORT OF CAGAYAN DE ORO which collected P13.781-B(23.9% above its target of P11.23-B)
5. PORT OF ILOILO which collected

- P2.625-B (1.9% above its target of P2.57-B)
6. PORT OF SAN FERNANDO which collected P2.616-B (8.9% above its target of P2.39-B)
7. PORT OF TACLOBAN which collected P489-M (114.8% above its target of P227.8-M)
8. PORT OF ZAMBOANGA which collected P268-M (51% above its target of P180-M)
9. PORT OF LEGAZPI which collected P262-M (0.01%above its target of P261.68-M)
10. PORT OF SURIGAO which collected P17-M (38.6%above its target of P12.3-M)



Bureau of Customs

January to February 2018 Collection Performance Report

BOC COLLECTION TARGET VS ACTUAL VS PREVIOUS YEAR												
January 1- February 28, 2018 Final												
(In Million Pesos)												
FULL YEAR TARGET (581.291)												
MONTHLY												
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC
WORKING DAYS	21	19	20	20	22	20	22	22	20	23	21	20
% share	7.8%	7.0%	7.5%	7.8%	8.5%	8.0%	8.4%	8.3%	8.7%	9.7%	9.7%	8.8%
ACTUAL CASH 2018	40,814	43,682										
TEF	16	34										
TOTAL ACTUAL 2018	40,831	43,716	-	-	-	-	-	-	-	-	-	-
TARGET CASH 2018	45,090	40,536	43,865	45,159	49,205	46,453	48,663	48,024	50,496	56,586	56,229	50,985
TEF 2018												
TOTAL BESF TARGET 2018	45,090	40,536	43,865	45,159	49,205	46,453	48,663	48,024	50,496	56,586	56,229	50,985
% ACTUAL CASH 2018 vs. TARGET CASH 2018	91%	108%										
% ACTUAL TEF 2018 vs. TARGET TEF 2018	0%	100%										
% TOTAL ACTUAL 2018 vs. TOTAL TARGET 2018	91%	108%										
ACTUAL CASH 2017	35,943	30,785	37,252	30,923	39,472	35,287	34,831	38,168	40,182	42,910	46,183	45,204
TEF	-	69	81	219	120	130	163	121	78	5	183	255
TOTAL ACTUAL 2017	35,943	30,854	37,333	31,142	39,592	35,417	34,994	38,289	40,260	42,915	46,366	45,459
% ACTUAL TEF 2018 vs. ACTUAL TEF 2017	0%	0%										
% TOTAL ACTUAL 2018 vs TOTAL ACTUAL 2017	113.6%	141.7%										

Lapeña to relieve port officials who failed to meet Feb revenue target

Bureau of Customs chief Isidro Lapeña on Monday, February 12, told the officials and employees of the bureau that he will be relieving district collectors, deputy collectors for assessment, chief of Formal Entry Division, examiners, appraisers and all personnel in charge of assessment of the ports who failed to meet their February revenue collection target.

"I cannot put at stake another month for another experiment. Let my directive be clear: relieve all personnel in charge of the assessment including the district collectors of the district who did not reach the target," he said.

BOC's Financial Service preliminary reports showed the bureau collected P40.798 billion in January against the P46.394 billion target.

Lapeña since his first day of office as Customs chief has directed all BOC personnel to stop benchmarking and to strictly apply correct valuation on the imported goods.

12/17 ports exceeded target

Lapeña awarded twelve of the 17 BOC district collectors who have exemplary revenue performance based on preliminary figures during the Monday's flag raising ceremony.

Among them are:

- Port of San Fernando which collected P256 million (0.7% above its target of P254 million)
- Port of Legazpi which collected P24 million (9.8% above its target of P22 million)
- Port of Iloilo which collected P270 million (7.4% above its target of P251 million)
- Port of Cebu which collected P2.271 billion (8.6% above its target of P2.091 billion)
- Port of Tacloban which collected P34 million (59.9% above its target of P21 million)
- Port of Surigao which collected P4 million (261.9% above its target of P1 million)
- Port of Cagayan de Oro which collected P1.616 billion (23.3% above its target of P1.310 billion)
- Port of Davao which collected P1.785 billion (19.9% above its target of P1.489 billion)
- Port of Subic which collected P1.683 billion (0.8% above its target of P1.670 billion)
- Port of Clark which collected P135 million (10.7% above its target of P122 million)

- Port of Aparri which collected P5.6 million (39.5% above its target of P4 million)

- Port of Limay which collected P2.839 billion (0.6% above its target of P2.823 billion)

Despite falling short by 12 percent from its P46.394 billion January collection target, Commissioner Lapeña is optimistic that BOC will reach the 2018 collection target of P598 billion.

The BOC pledged full commitment to the President to hit the 2018 target to finance priority programs under his administration, Lapeña said.

Meanwhile, Lapeña announced new officials of the Bureau of Customs who are officially going onboard with him on his BOC reforms.

Among the newly-installed officials are Deputy Commissioner of

Management Information Systems and Technology Group Noel Patrick Prudente; Enforcement and Security Service Director Yogi Filemon Ruiz; Customs Intelligence and Investigation Service Director Adzhar Albani; and Imports and Assessment Service Director Geoffrey Tacio.

"The newly appointed directors are no longer officials of PDEA but of the BOC who will help strengthen the policies and reforms we are making," Lapeña said.

Commissioner Lapena, however, clarified that the relief will take effect on March after the collection period in February.

"Since I have just assigned some new collectors this January, we will base the relief on their February collection performance," he said.



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

BOC-PITC sign MOA to enhance trade



The Bureau of Customs and the Philippine International Trading Corporation (PITC) signed a memorandum of agreement to jointly undertake programs and projects to enhance the BOC trade and customs services. The signed agreement includes PITC's procurement of goods and services, as well as infrastructure projects.

Philippine Tax Academy Workshop



Bureau of Customs officials and personnel attended the Department of Finance (DOF) four-day inaugural workshop on the Philippine Tax Academy at the Bureau of the Treasury from February 27 to March 2.

The DOF-initiated workshop covers discussions on the government resource mobilization; the importance of building the capacity of tax administrators to boost tax collection efficiency; Philippine Development Plan for 2017-2022; overview of the country's tax policies and administration; and the challenges and opportunities on tax administration, among others.

MCLE for Customs Lawyers



The Bureau of Customs, in partnership with the University of the Philippines Law Center, conducted the Mandatory Continuing Legal Education (MCLE) for Customs lawyers on February 12 to 15 at the Port of Manila.

The BOC Revenue Collection and Monitoring Group (RCMG) and the Interim Training and Development Division (ITDD) facilitated the said event.

ITAPS seminar



Personnel of the Bureau of Customs attended the seminar on Integrity, Transparency and Accountability in Public Service at the Port of Manila on Thursday, February 15.

The seminar is initiated by the Office of the Ombudsman and in partnership with the BOC-Port of Manila.

**Malipayon nga
anibersaryo, Bureau
of Customs Davao!
Your BOC Family
wishes you a joyous
commemoration of
your founding
anniversary.**



Happy
91st
FOUNDING
ANNIVERSARY
(FEBRUARY 23)
Port of Davao!

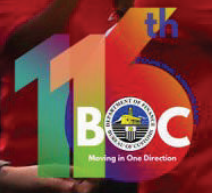


BOC 116th Anniversary

Adrenalynomics



Highlights



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