



PORT DIGEST

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BOC NAIA forfeits 80-seater aircraft

The Bureau of Customs –Port of Ninoy Aquino International Airport (NAIA) ordered the forfeiture of an 80-seater aircraft after its owners failed to pay the customs duties and taxes from the time of its importation.

Customs Commissioner Isidro Lapeña and NAIA District Collector Carmelita Talusan on July 16 led the inspection of the forfeited aircraft of Magnum Air, Inc. operating as SkyJet Airlines parked in hangar of General Aviation Area of NAIA.

Based on reports, Magnum Air was a former registered locator of Subic Bay Metropolitan Authority but was delisted and has ceased operations in 2014.

The aircraft was first alerted on March 29, 2017 by Collector Talusan as then District Collector of Port of Subic and requested for a Letter of Authority to demand proof of payment of duties and taxes as no record of any import entry or warehousing entry was filed by the owners.

“Presently, the aircraft is forfeited in favor of the government after finding that its importation was attended with fraud and for being used in commercial flights since its importation without payment of customs duties and taxes,” Commissioner Lapeña said.

The aircraft has violated Sections 224 (Power to Inspect and Visit), 400 (Goods to be Imported through Customs Office), 401 (Importation Subject to Goods Declaration), and 405 (Liability of Importer for Duties and Taxes) in relation to Section 1113 (Property Subject to Seizure and Forfeiture) of the Customs Modernization and Tariff Act.

Customs-NAIA authorities said the forfeited SkyJet is estimated to be worth P583.58 million or \$10.916 million. Magnum Air is liable to pay to the Bureau of Customs an estimated of P90,514.936 for the aircraft customs duties and taxes excluded of penalties and charges.

The owner, Magnum Air, Inc., filed an appeal against the forfeiture order of the Port of NAIA. It is now pending hearing at the Legal Service.

Upon finality of the Order of Forfeiture, the Port of NAIA will proceed with the public auction of aircraft, the customs authorities said.

The Commissioner lauded the efforts of BOC-NAIA for its heightened vigilance against the violators of the Customs laws.

BOC seizes steel pipes, tubes from China

The Bureau of Customs (BOC) intercepted 12 shipments of steel pipes and steel tubes from China at the Manila International Container Port (MICP).

The steel pipes and steel tubes which arrived on June 7 were declared to weigh 16,380 kgs from Guangzhou and Hebei, China. It is consigned to Siegreich Enterprise of Rm. 207, 2/F Regina Bldg. Escolta St., Manila.

The shipper, according to the documents submitted, was identified as Guangzhou Chuantong Imp. & Exp. Trading Co., Ltd. and Hebei Yongteng Trading Co. Ltd. of Rm. 501, No. 4 Lang 3, Yongxing Middle Street, Longgui, Baiyun District, Guangzhou, China and South of Shahe Bridge Industry, Dingzhou City, Hebei Province, China, respectively.

BOC-MICP authorities have issued an alert order for alleged discrepancy in weight. Upon verification, customs examiners “found out that the shipment weighted 27,100 kgs

Used clothes, dump truck seized at Port of Davao

The Bureau of Customs - Port of Davao seized on July 19, 11 shipments of used clothing and used dump truck from China at Sasa Wharf and Davao International Container Terminal, Davao City.

According to Commissioner Isidro Lapeña, the shipments were seized due to misdeclaration, and failure to secure import permit.

Ten shipments containing misdeclared used clothes or ukay-ukay were consigned to Zainar General Merchandising, Al-Shaer Enterprises, Suluans General Merchandising, and Mourpling Trading.

Based on the consignees' import documents, the shipments are declared as bedsheets, thin blankets, shoes, bags, and stuffed toys but were found to contain bales of used clothes.

The shipments of used clothing are estimated to be worth P17.8 million.

Used clothes or ukay-ukay are classified as prohibited under Republic Act No. 4653 or

Importer, broker charged for rice smuggling

Commissioner Isidro Lapeña, through the Bureau's Action Team Against Smugglers (BATAS) filed four criminal complaints against the owners, officers, and customs broker of Santa Rosa Farms Products Corp. for the unlawful importation of two hundred (200) containers of rice from Thailand at the Manila International Container Port (MICP) without the required import permit.

Sta. Rosa was charged for violating Section 1401 of the Customs Modernization and Tariff Act (CMTA) and Republic Act No. 10845 or the Anti-Agricultural Smuggling Act.

Criminal charges were filed against the officers of Sta. Rosa Farms, namely: Jomerito Soliman, President and General Manager; Dolores Opancia, Chief Financial Officer; Mary Grace Cayanan, Director; and Marileen S. Avañez, Director.

Licensed Customs Broker Diosdado M.

BOC puts up 1-Assessment System to combat red tape

The Bureau of Customs (BOC) will roll-out next month the enhanced Goods Declaration Verification System (eGDVS) known as "1-Assessment."

"1-Assessment"-- a modernized and electronic system of processing and monitoring of import goods declaration operates with lesser human intervention on transactions between stakeholders and Customs personnel.

The system was first introduced as GDVS (Goods Declaration Verification System) in the Port of Manila and the Manila International Container Port as provided for in the Customs Memorandum Order 31-2017 issued in December 2017.

GDVS implemented the directive of Commissioner Isidro Lapeña to remove the sectioning at the Formal Entry Division (FED). This removed the 'suki system' and limited the face-to-face transactions when processing goods declaration at the said ports.

In the new CMO 10-2018 issued on July 12, 2018, 1-Assessment, or EGDVS as indicated in the CMO, will be implemented at the ports of Subic, Clark and Batangas.

Mitigating corruption with enhanced computer system

The 1-Assessment system is a web-based application workflow system designed to combat red tape and promote transparency and efficiency in the delivery of customs services.

The system will provide stakeholders a bias-free assessment of their goods declarations through its zero-contact policy where importers and brokers get actual updates on the status of their respective goods declaration without face-to-face transactions with customs personnel.

According to Commissioner Lapeña, the system will minimize corruption attempts at the BOC ports as the opportunity for collusion among clients or stakeholders, customs appraisers and examiners is removed with the random selection of appraisers and examiners to be assigned with goods declaration.

Unlike the current version (GDVS), 1-Assessment allows the random assignment of entries for assessment to any BOC appraiser working in any of the ports of the Bureau, nationwide

Stakeholders will also be able to see the status of their entries using any web browser

without the need to contact customs personnel.

Promotes ease of doing business

BOC stakeholders will no longer need to wait or stay long in BOC offices to monitor and verify their goods declaration because apart from the available kiosks at BOC ports, 1-Assessment will allow stakeholders to view and monitor the status of their goods declaration through desktop browser and smartphones.

Stakeholders will also be able to monitor if their credentials are being used without their knowledge.

Importers and customs brokers may also upload the scanned copies of their goods declaration to the 1-Assessment. The new system uses digital copies of the documents for easier retrieval and assessment.

The CMO however still requires stakeholders to lodge their goods declaration to the e2m and submit the physical documents to the assessment division of the port of goods declaration.

Under the new system, processing of goods declaration will be on first in, first out basis. "This time, no more "VIPs" in goods declaration. If everything is in order and you have your documents ready, then nothing prevents you from lodging your entries. We are leveling the playing field for all legitimate importers," Lapeña said.

The system also allows for assigning of key performance indicators (KPIs) to each examiner and appraiser based on their speed and efficiency by which they process entries. These KPIs, along with the processing time averages will be monitored by the concerned officers of the Bureau.

To ensure the queuing mechanism is enforced, appraisers and examiners must finish or complete the processing of goods declaration pending with them before they can process another declaration.

Appraisers and examiners are required to provide remarks on the pending goods declaration for immediate action if issues and concerns arise during the assessment process.

1-Assessment will be rolled-out by the Management Information System and Technology Group (MISTG) on August 2 initially covering the ports of Subic, Clark, and Batangas.

The customs chief sees the bureau-wide roll-out and full implementation of the 1-Assessment system in all ports before the year ends.

BOC SEIZES

based on net stowage place as per report from the Pier Inspection Division."

"The same with tiles, steel tubes and pipes are subject to Magna scale weighing in order for the bureau to assess the customs duties and taxes since it is dutiable by weight," the Bureau chief said.

Magna scale is a process of determining the actual weight of the shipment less the container weight in order to determine the dutiable weight.

MICP authorities valued the steel shipments at P18 million.

Meanwhile, another 3x40-footer container consigned to Hepomlan Trading was intercepted for misdeclaration and lack of import permit from Food and Drugs Administration.

"The shipment which arrived on May 13 is said to contain screw, earphone, inflatable toys, mold, aluminum oil box, mat, labeling

machine, freezer, plastic container, blouse, skirts, cell phone stand, and printer fitting.

However, upon examination of the alerted shipment, MICP authorities found misdeclared teeth whitening set, aerosol insecticide, wedding ring cases, sporting goods, cutlery sets, lamp shade, and hair treatment," Commissioner Lapeña added.

The goods are estimated to be worth more or less P12 million, Collector Vener Baquiran said.

The shipments are now waiting for the issuance of a warrant of seizure and detention for violating Section 1400 in relation to Section 1113 of the Customs Modernization and Tariff Act (CMTA) of 2016.

The customs chief said once the steel pipes and tubes are forfeited in favor of the government, it will be auctioned off to generate more revenues to the bureau.

USED CLOTHES

"An Act to Safeguard the Health of the People and maintain the Dignity of the Nation by declaring it a National Policy to Prohibit the Commercial Importation of Textile articles commonly known as Used Clothing and Rags."

The consignee also violated Section 1400 in relation to Section 1113 (Property Subject to Seizure and Forfeiture) of the Customs Modernization and Tariff Act (CMTA).

Meanwhile, another shipment consigned to Fullwon Philippines Ent. Ltd. Inc. was seized for lack of import permit and misdeclaration. It arrived on June 13 at the Port of Davao under entry number C12190-18.

Fullwon declared the shipment as crushing machine, conveyor belt, electric generator, steel ball, wire, screening machine, and mine tractor. However, when it was inspected, apart from the declared goods, they discovered one (1) unit used completely build up dump truck estimated

to be worth P700,000.00. The used dump truck was misdeclared as mine tractor.

A warrant of seizure and detention (WSD) was issued on July 3 by District Collector lawyer Romalino Valdez.

"The consignee violated Executive Order 877-A, series of 2010 or "The Comprehensive Motor Development Program", and Section 1113 of the CMTA," Valdez explained.

Lapeña appealed to the public to not patronize used clothing or ukay-ukay for it poses health risks.

"There is really wisdom in the law prohibiting its importation. The dignity of the nation and the people must be protected and should not be undermined."

"The Bureau of Customs will remain aggressive and vigilant in going after you who still choose to be involved in these illegal activities. Stop short-changing the government. Stop this blatant disregard for customs laws and regulations," said Lapeña.

IMPORTER, BROKER

Santiago who processed the importation of Sta. Rosa was also charged.

One of the respondents, Mr. Soliman, is also named as a respondent in one of the smuggling cases filed by BOC last June 21, 2017 also for his involvement in rice smuggling.

Last July 13, 2018, the 150 containers were ordered forfeited in favor of the government, while the 50 containers were declared abandoned by MICP District Collector lawyer Vener Baquiran.

Commissioner Lapeña has instructed the immediate conduct of public auction to make sure that the rice shipments will be immediately released from BOC ports to ensure sufficient supply of rice in the market, which would result in the stabilization of the price of rice.

In compliance with the standing order of the Commissioner, on July 17 and 18, the Bureau of Customs sold the rice in a public auction, generating a total revenue of Php 177,990,888. As part of the transparency program of BOC, the bureau invited the media

to cover the actual bidding during the public auction.

Earlier, the Bureau of Customs inspected a warehouse located in Calamba, Laguna where about 10,000 bags of imported rice were intercepted by BOC - Enforcement and Security Service. The owners failed to present proof of payment of duties and taxes and the corresponding import permit during inspection.

"As instructed by the President, the government particularly the Bureau of Customs will not waiver in its drive against smuggling of rice in the country and the abuses being done by the rice cartels.

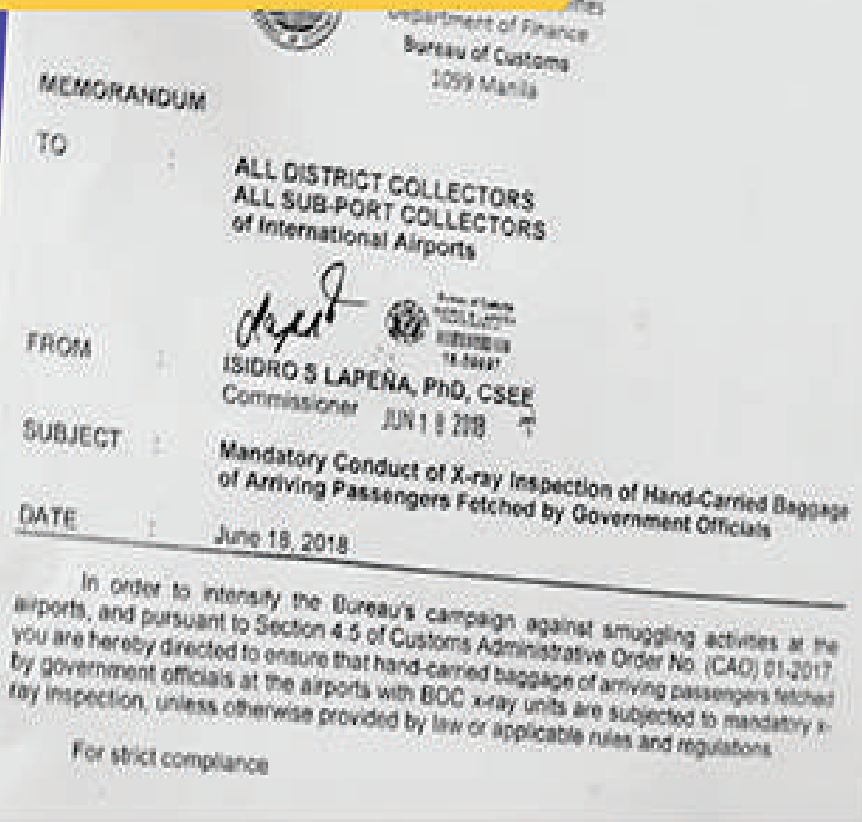
"The filing of these criminal cases before the Department of Justice shows the commitment of the current administration to ensure that these smugglers are brought to justice. This time they will face serious jailtime under the Anti-Agricultural Smuggling Act as rice smuggling in now considered as a non-bailable offense. We will make sure that smugglers and hoarders of rice will bleed money and will not benefit from their illegal acts," said Lapeña.

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.

MANDATORY CONDUCT OF X-RAY INSPECTION OF HAND-CARRIED BAGGAGE OF ARRIVING PASSENGERS FETCHED BY GOVERNMENT OFFICIALS



In order to intensify the Bureau's campaign against smuggling activities at the airports, and pursuant to Section 4.5 of Customs Administrative Order No. (CAO) 01-2017, all district collectors and sub-port collectors of international airports are directed to ensure that hand-carried baggage of arriving passengers fetched by the government officials at the airports with BOC x-ray units are subjected to mandatory x-ray inspection, unless otherwise provided by law or applicable rules and regulations.



Press Statement of Customs Commissioner Isidro Lapeña on the Unauthorized Release of Containers in MICTSI Container Yard (Mindanao Container Terminal (MCT))

"I would like to tell the public, that while we are serious and committed to putting policy reforms and changes to fix the Bureau of Customs from its operational, institutional, and system loopholes, unscrupulous individuals or groups continue to lurk within and around the bureau and are still able to come up with wicked schemes to dupe the government for their selfish interests.

"When I assumed as Customs Commissioner in August 2017, I knew that this is going to be a difficult and challenging task. The president, Mayor Rodrigo Duterte, when he told me to stop corruption in the bureau – without hesitation – I accepted the tall order. As we all know, the problem of corruption has been hounding the bureau of customs for decades. In my more than ten months in the bureau, I was trying to address and implement various reformatory measures to address the said systemic corruption and go after the syndicates operating inside and outside of the bureau.

"With less than a year in office, we were able to achieve some turn-around, especially in the area of revenue collection. Collection milestones in billions of pesos, with figures considered as first in the history of the Bureau of Customs, were achieved. This is a direct result of our increased collection efficiency which in turn is a by-product of our anti-corruption efforts. The numbers will not lie. Although much remains to be improved, great strides have been made in this direction.

"However, there are still wicked individuals within and outside the bureau of customs, that threaten to set back the achievements we have accomplished so far.

"Last June 25, information reached me that there were questionable shipments at the Mindanao Container Terminal, sub-port of Cagayan de Oro located in Tagoloan. Immediately, I instructed the district collector of Cagayan de Oro, to issue alert orders. Based on my instruction, alert orders covering various shipments were issued as early as June 25 and June 28 and again on July 3, 2018.

"Through the alert order no. Cdo-20-2018 which I asked to be issued against entry no. C-6862 on June 25, the misdeclared shipment of 2 containers of bags of sugar was uncovered. These were declared as pre-fabricated steel and consigned to JDan trading.

"On June 28, I again ordered the issuance of alert order numbers CDO 22-2018, 23-2018, 24-2018 and 25-2018 against 8 containers suspected to contain questionable goods. I also instructed to subject the 8 containers for immediate examination. However, upon my instruction, the 8 containers were discovered to have been illegally released or withdrawn from the Mindanao international container terminal services, Inc. (MICTSI) container yard on June 14, 15, and 17 2018. Clearly, there was a successful effort to thwart legal orders from my office. This is intolerable.

"The five containers covered by alert order no. 24, declared as cross-hatched no.

panel were found to contain onions while the five containers covered by alert order no. 25, declared as boiler casing werediscovered to contain bags of sugar. The shipments of onions and sugar were consigned to Mave trading and general success merchandise, respectively.

"On July 3, I again instructed CDO district collector to alert 17 containers consigned to Mave trading, FVV Gracias Enterprises, Melea RPL Enterprises and immediately subject the containers to spot check pending the filing of entry. When MICTSI was asked to prepare the containers for inspection, MICTSI reported that those 17 containers had been released or withdrawn from their container yard on various dates -- June 20, 21, 22, 23, 27, and 28, 2018, even before I ordered them alerted, and much worse even before entries were filed.

"Twenty-five containers were illegally withdrawn from the MICTSI yard. Only 8 containers were covered by entries and partially processed while the 17 containers were not covered by any entry. This is unacceptable.

"Immediately, I ordered for an investigation. The customs intelligence and investigation service is up on its feet conducting deeper probe.

"The investigation is ongoing and we are not disregarding the possibility that there could be more containers that have been illegally released from MICTSI.

"Initially, the inquiry showed that the containers were released through the use of pre-assessment sad or single administrative document printouts stamped with the words "subject for x-ray" and "for transfer to MCT-CCA (customs clearance area) as per CDO-CMO 1-2014 or valid for final release from CCA without gate pass issued by cargo control section.

"Containers intended for transfer to DEA can only be allowed after the issuance of delivery order by the shipping lines and equipment receipt from the arrastre operator. However, the delivery order and the receipt can only be issued upon presentation of the import entry with import entry number.

"I have revoked the importers accreditation of the involved consignees namely: Mave trading; General Success Merchandise; JDan Trading; FVV Gracias Enterprises; And Melea RPL Enterprises. The accreditation with the account management office of the customs broker involved, Mr. Raul de Leon, Jr. has also been revoked.

"I have also directed the investigating team to include as part of the probe the backtracking of shipments of these consignees in order to find out whether this same ploy had been used for previous shipments.

"More importantly, I have ordered the immediate relief from their post of the following personnel from the sub-port of Mindanao container terminal: the acting port collector, the deputy collector for assessment and several personnel from the enforcement and security service (ESS) and

the x-ray inspection project.

"Rest assured that after the investigation, criminal and administrative cases will be immediately filed against those involved in the incident including BOC officials and employees as well as arrastre operator employees, if warranted.

"This incident brings us back to the 105 containers which we in the Bureau of customs, also discovered.

"There is indeed so much to fix within and around and even outside the Bureau. This scheme that surfaced is another skeleton in the closet.

"There is still so much to discover, to know and to fix in the Bureau of Customs. I find myself more prepared to face these skeletons head on. I will go after these people. I will make them pay for this deplorable act. Please be assured that i will not stop in going after these unscrupulous individuals and against the well-organized syndicate operating inside and outside of the bureau in connivance with corrupt customs personnel. I will continue to do my job, whatever it takes, however long it takes.

"I would like to thank all the concerned citizens for giving me information on these shipments. Nagpapasalamat ako sa mga kababayan natin na nagmamalasakit hindi lang para sa Bureau kundi para sa bansa dahil sila mismo ang nagbibigay sa akin ng mga impormasyon ng mga kahina-hinalang kargamento at mga smuggling attempts.

"Hinihikayat ko ang publiko na patuloy kayong magpa-abot ng mga impormasyon para mahuli natin ang mga ganitong klase ng modus sa mga pantalan. Maraming salamat sa inyong tulong."

Updates

The Bureau of Customs recently discovered of the swing modus operandi at the Mindanao Container Terminal.

It was found out that among the 37x40-footer alerted shipments, 25 were released unlawfully from the MICTSI. As a result of the ongoing investigation, the Bureau of Customs have accounted a total of 154 containers released under this "swing operation" and "release now file later" scheme.

The containers are not physically recovered or located but identified through document backtracking and through this the suspected delivery warehouses are identified. All 154 came from backtracking shipments from January to present.

"I have issued five Letters of Authority to inspect the warehouses where the containers were delivered through swing modus. Among them are Jin Sing Warehouse located at Purok 3, Gusa, Cagayan De Oro, Jin Sing Enterprise located at HBL bldg., National Highway, Gusa, Cagayan De Oro City, New Hope Warehouse at Alwana compound, Cugman, CDO, Golden Rice Warehouse located at Purok 4, Gusa, Galaxy road CDO and Jin Sing Grocery in National Highway, Cugman, Cagayan De Oro City," Commissioner Lapeña said.

Lapeña foils smuggling scheme in MCT-Phividec

The Bureau of Customs (BOC) has filed on July 18, criminal cases against three (3) smugglers and one licensed customs broker involved in the 'swing operations' at the Sub-Port of Tagoloan, MCT-Phividec recently uncovered by Customs Commissioner Isidro Lapeña .

The BOC chief has been zealous in his battle against smuggling and continues to hit on target the efforts of unscrupulous smugglers throughout the country.

"You may be able to get away with your schemes once, twice, thrice. But I will be able to catch up with you and foil your smuggling attempts and schemes," the customs chief said.

Charged were the following:

Mave Trading with its owner, Meljane B. Mejos, imported five container vans of onions and two container vans of used clothing. These acts violate Section 1400 in relation to 1401 and 117 of the CMTA, RA 4653 and RA 10845, respectively. The total dutiable value of the abovementioned shipments amount to One Million Six Hundred Four Thousand Five Hundred Seventy Seven Pesos and Fifty Centavos (P1,604,577.50) with aggregate duties and taxes due to government in the amount of Eight Hundred Nine Thousand Five Hundred Seventy Nine Pesos (P809,579.00).

Another consignee, JDan Trading, headed by its owner, Asrafani B. Riga tried to smuggle 2,167 bags of sugar that were declared as pre-fabricated steel in two container vans worth Four Million Eight Hundred Ninety One Thousand Nine Hundred Ninety Pesos and Thirty Two Centavos (P4,891,990.32) with aggregate duties and taxes due to the government in the amount of Four Million One Hundred Fifty Two Thousand Eight Hundred Sixty Five Pesos (P4,152,865.00)

Also charged is General Success Merchandise led by its owner, Sherbet S. Alazas attempted to smuggle 2,316 bags of sugar that were also declared as boiler casings in 4 container vans worth Four Million Four Hundred Ninety Eight Thousand Eight Hundred Fifty Two Pesos and Seventy Four Centavos (P4,498,852.74) with aggregate duties and taxes due to the government in the amount of Three Million Eight Hundred Twenty One Thousand Four Hundred Thirty Nine Pesos (P3,821,439.00).

All three consignees were assisted by Licensed Customs Broker Raul M. De Leon, Jr. in their scheme to defraud the government.

Lapeña has forewarned that the Bureau under his leadership would be filing more criminal cases against these smugglers as the Bureau continues its intensified drive to eradicate all forms of smuggling activities in the country.

Dominguez lauds Customs revenue collection efforts



due mainly to the more efficient tax collection as well as administrative reforms carried out in our two main revenue agencies," Secretary Dominguez reported.

At the same time, Dominguez emphasized the contribution of Tax Reform Acceleration and Inclusion (TRAIN) Law amounting to P33.7 billion in revenues for the first half of the year.

The TRAIN Law which was implemented at the start of 2018 has raised P19.3 billion in the collection of the Bureau of Customs and P14.4 billion for Bureau of Internal Revenue.

In 2019, the national government aims to raise the total revenues of P3.2 trillion. Secretary Dominguez said this includes the revenue of P181.4 billion pesos to be generated from TRAIN and the proposed tax reform package 1B which is equivalent to 16.5% of gross domestic product (GDP), an improvement from the 15.6% achieved in 2017 and this year's target of 16.2%.

"We expect revenues to grow by 12.7% in 2019. Tax revenues will increase by 12.7% with BIR and BOC expected to post collection growth by 13.1% and 11.3%, respectively," he said.

Commissioner Isidro Lapeña, on the other hand, is optimistic on the revenue collection of the bureau.

"The Five-Point Priority Program will be implemented rigorously to enhance our revenue collection in 2018. I am optimistic that we will meet our annual target because the reforms that we are making are slowly gaining ground. The men and women of the Bureau of Customs are on board with the current reforms," Commissioner Lapeña said.

The priority programs of the present administration include: Stop Corruption, Increase Revenue Earnings, Ensure Trade Facilitation, Strengthen Anti-Smuggling Efforts, and Enhance Personnel Incentives, Rewards System and Compensation Benefits.

The bureau chief said the BOC is up to the challenge of raising the revenue targets in 2019 to finance the development agenda of President Rodrigo Duterte.

Finance Secretary Carlos G. Dominguez III on July 31, acknowledged the improvements in the Bureau of Customs revenue after collection grew by 33% in 2018.

"The first six months of 2018 registered a strong fiscal performance as both revenues and expenditures surpassed respective targets, which resulted to a deficit of P193 billion, or 27% lower than programmed... BOC, on the other hand, grew its collection by 33% topping its target by 3%," he said during his briefing at the interagency Development Budget Coordination Committee at the House of Representatives.

According to Dominguez, this is "due to the combined factors such as weaker peso, higher oil prices, higher import volumes, proper valuation, and tariff classification of goods, as well as strengthened campaign against illegal trade that has contributed to the sustained impressive performance of the bureau."

In 2017, the Bureau of Customs has also made improvements in revenue after raising the collection by 15.6% which aided the government to achieve the highest revenue collection growth since 2012.

"Overall, we have achieved a strong tax revenue growth rate of 13.6% in 2017. This is

BOC Subic destroys 591 bales of ukay-ukay

Olongapo City – The Bureau of Customs-Port of Subic, spearheaded the destruction of P800,000 worth of used clothing (Ukay-ukay) on July 13 in Guiguinto, Bulacan.

The said contraband was shredded and disposed of at the facility of EPY-ECO Auction and Waste Disposal Services– the accredited service provider of the Port of Subic for the condemnation of contrabands and expired goods.

The subject used clothing was abandoned in favour of the government, in view of the aggressive efforts and vigilance on the part of the BOC to man the ports against contrabands that are detrimental to public health and welfare.

The destruction of the seized goods was led by the District Collector of the Port of Subic, Segundo Sigmundfreud Z. Barte, who emphasized that while the commercial proliferation of 'ukay-ukay' is popular, Republic Act 4653 prohibits the importation thereof, to safeguard public health.

The District Collector was joined by the representatives of the Commission on Audit and the local government of Guiguinto, Bulacan.

Commissioner Lapeña has announced that condemnation of seized goods will now be made public as part of transparency efforts of the Bureau.



BOC seizes P66.4-M worth of smuggled goods, ukay-ukay, beauty products

The Bureau of Customs through the Manila International Container Port (MICP) and X-ray Inspection Project intercepted on July 12 various

misdeclared goods, ukay-ukay and beauty products estimated to be worth P66.4 million.

"Two of the seven containers belongs to Skadi

Trading. The consignee imported several cosmetic products from South Korea. At the time of the alert, the importer cannot present the necessary certificate of product registration from FDA," Commissioner Isidro Lapeña bared.

The beauty products are estimated to be worth P50 million.

Another two containers from China, consigned to Hepomlan Trading, were seized for misdeclaration, lack of import permits, lack of sanitary and phytosanitary import clearance, and for violating Intellectual Property Act of the Philippines.

Lapeña also said the importer committed a serious disregard of the law that caused the seizure of the shipments. "Hepomlan violated Section 1400 in relation to Section 1113 (Property Subject to Seizure and Forfeiture) and Section 117 (Regulated Importation and Exportation) of the CMTA, Intellectual Property Act of the Philippines in relation to Section 118 (Prohibited Importation and Exportation) of CMTA, and FDA Act of 2009," Commissioner Lapeña said.

"Among the shipments seized are assorted

LAPEÑA FOILS

It should be noted that two of the consignees, namely, Mave Trading and General Success Merchandise, are also involved in the "Swing Operation" and "Release and File Entry Later" scheme, which was recently discovered and thwarted because of Lapeña's alert to the abovementioned shipments at the Sub-Port of Tagoloan.

Under the "Swing Operation" scheme, shipments were released from Customs custody thru the use of a Pre-Assessment BOC-SAD print out from the Value-Added Service Provider (VASP) with bogus stamp of "SUBJECT FOR X-RAY" or "FOR TRANSFER TO MICT-CCA", then spirited out from the Port without passing through MICT-CCA and without the required gate pass issued by Cargo Control Section. In this method, the release of the shipments is without the corresponding import entry being filed; thus, no payment of duties and taxes.

Whereas, under the "Release and File Entry Later" scheme, the shipments were immediately released from Customs custody with its corresponding import entry filed several days after the release. This method is adopted to avoid timely detection by alerting offices, and proper examination of shipments.

As of press time, an investigation is still ongoing to uncover all the personalities involved in the said scheme. The Commissioner has ensured that all the personalities, including the port operator and even employees of the Bureau, if found to be involved in this reprehensible scheme, shall be prosecuted to the fullest extent of the law. Initially, the Commissioner has relieved 11 BOC employees from their positions, and another five (5) BOC employees were administratively charged and preventively suspended.

Lapeña added, "I will get to the bottom of this. The investigation will continue until all personalities involved not only in the unauthorized or illegal release of containers but also those involved in what could be a large scale 'swing operation' and 'release now, file later' schemes are made accountable."

smuggled merchandise like fake watches, perfume, cell phone batteries, garments, wallet, glass decors, LED lights, fake bags, calculator, Takoyaki maker, children's scooter animal medicine, and flour," he added.

The seized goods of Hepomlan is estimated at P8 million.

On June 21, another shipment of Hepomlan Trading after customs authorities found undeclared boxes of fake G-shock watches. It was estimated to be worth P2.25 million.

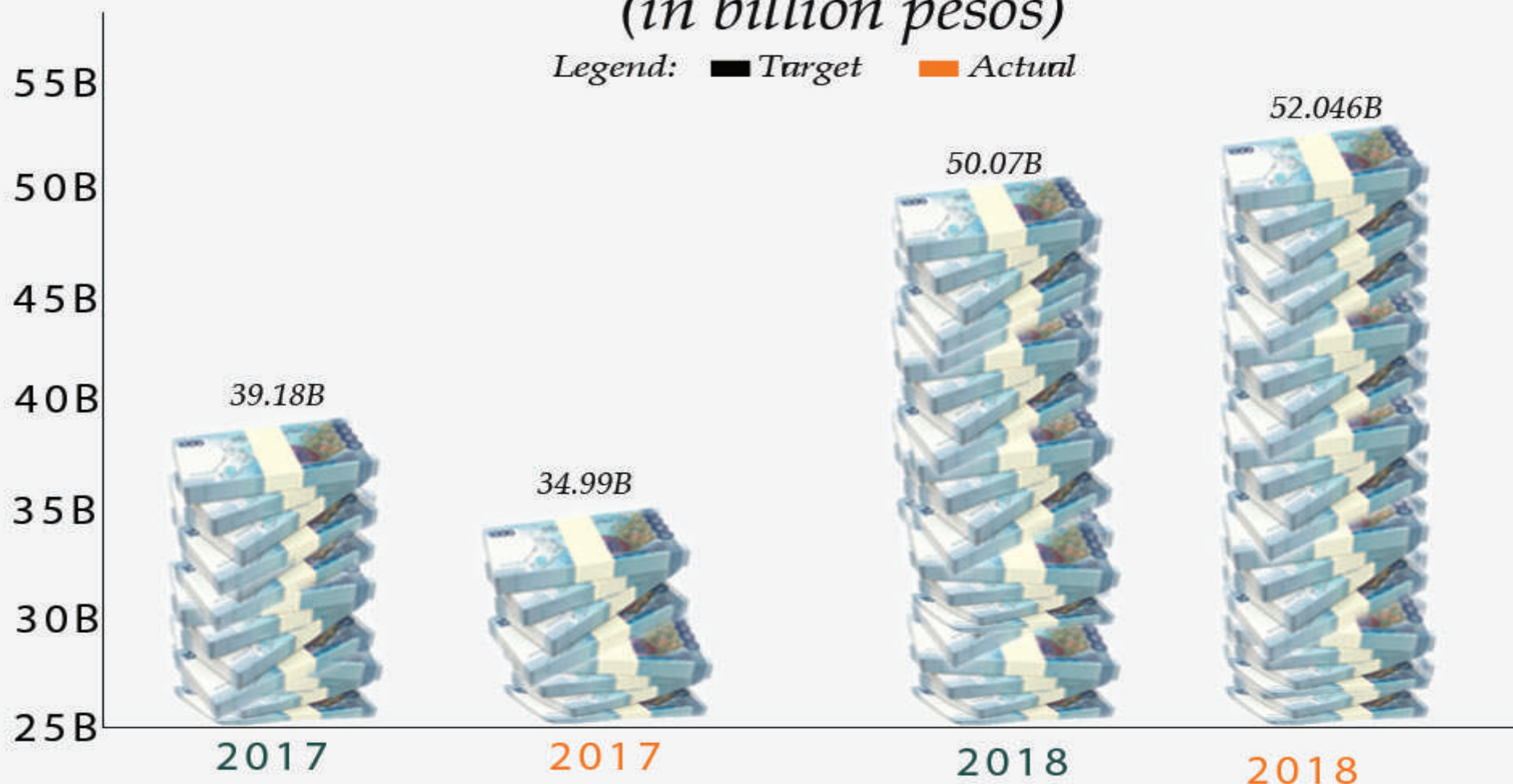
The remaining three containers are consigned to EPAD Freight Forwarders.

"The shipments from China, filed under the informal entry, contains ukay-ukay and used shoes," the Customs chief said.

The used clothing and used shoes are approximately worth P8.4 million.

The Office of the District Collector of MICP has alerted the shipments for violation of Section 1400 of CMTA and RA 4653. "We will issue a warrant of seizure and detention against the shipments to prevent its release from the BOC custody," Collector Vener Baquiran said.

JULY REVENUE COLLECTION (in billion pesos)



BOC exceeds July collection target by 3.9 percent

The Bureau of Customs has once again hit and exceeded its revenue collection performance by 3.9 percent.

With 15 of 17 ports exceeded their respective revenue target, the bureau's July collection reached a total of P52.046 billion, generating an estimated P1.976 billion revenue surplus from the target of P50.07 billion.

Preliminary data from the BOC – Financial Service show a growth of 48.7 percent compared to the P34.99 billion earned in the same period last year.

The increasing revenue collection of the Bureau of Customs is attributed to the enhanced revenue collection performance of the bureau's ports, namely:

Port of Batangas collected P13.390 billion, up 15.5% or P1.798 billion; Port of Manila collected P7.686 billion, up 2% or P159 million; Port of Limay collected P3.908 billion, up 28.2% or P861 million; Port of NAIA collected P3.347 billion, up 1.7% or P57 million; Port of Cebu collected P2.465 billion, up 9.2% or P209 million; Port of Davao collected P2.259 billion, up 40.6% or P652 million; Port of Cagayan de Oro collected P1.871 billion, up 32.3% or P457 million; Port of San Fernando collected P430 million, up 57% or P156 million; Port of Iloilo collected P338 million, up 24.6% or P67 million; Port of Tacloban collected P234

million, up 962.9% or P212 million; Port of Clark collected P204 million, up 54.7% or P72 million; Port of Zamboanga collected P35 million, up 47.1% or P11 million; Port of Legaspi collected P24 million, up 1% or P200,000; Port of Surigao collected P13 million, up 536.8% or P11 million; and Port of Aparri collected P10 million, up 101.6% or P5 million.

Meanwhile, the Manila International Container Port with target collection of P15.439 billion collected only P14.224 billion. While the Port of Subic collected only P1.601 billion against its revenue target of P1.802 billion.

The total revenue collected from January to July has already reached P332.5 billion, exceeding the P328.195 billion target for the first seven months of the year by 1.3 percent or a revenue surplus of P4.368 billion.

The bureau's improved revenue performance is driven by strong enforcement and revenue enhancement measures and higher exchange rate and increased oil price in the market.

This is the sixth consecutive month this year that the BOC exceeded its revenue target. "We are expecting consistent revenue growth and I remain confident that we will hit and even exceed our year-end target," said Lapeña.

Customs files smuggling raps vs importers of onions, cigarettes

The Bureau of Customs, through the initiative of Commissioner Isidro Lapeña, filed on July 6 before the Department of Justice five (5) criminal charges against the consignees and licensed customs brokers involved in the illegal importation of P11,109,874.52 worth of onions which arrived at the Manila International Container Port in April this year.

The accused are facing charges for violation of Sections 1400 and 1401 of Republic Act No. 10863 otherwise known as the Customs Modernization and Tariff Act in relation to Republic Act No. 10845 otherwise known as "Anti-Agricultural Smuggling Act of 2016".

Among the respondents of the criminal complaints are:

Joseph Martin E. Arriego, sole proprietor of EAJM Enterprises, Manilou A. Hernandez, sole proprietor of Buensuceso Enterprise and its licensed customs broker Lorenz V. Mangaliman, and Arvin V. Tugadi, sole proprietor of Epitome International Trading.

The cases stemmed from the joint spot checking of 6x40' reefer containers in

Manila International Container Port spearheaded by Commissioner Lapeña and Secretary Manny Piñol of the Department of Agriculture, wherein the subject containers declared as fresh apples were found to contain fresh onions.

The Bureau has likewise filed a criminal complaint against the owner of Marid Industrial Marketing, Mark David G. Villanueva, and its licensed customs broker Carme Ann S. Rollon, for the unlawful importation of P26, 650, 393.70 worth of cigarettes, originally declared as industrial artificial fur texture, in clear violation of Sections 1401 and 1403 in relation to Section 1400 of the CMTA.

Commissioner Lapeña has repeatedly emphasized that the Bureau shall remain steadfast and relentless in its effort in curbing all sorts of reprehensible smuggling activities.

To all these, the Customs chief has forewarned that more cases will be filed by the Bureau of Customs against importers, brokers, and other unscrupulous individuals involved in the smuggling of agricultural products and other commodities into the country.

The Bureau of Customs Commissioner inspected the raided warehouse containing P25 million worth of alleged smuggled rice in Calamba, Laguna.

"We received a tip that there are various sacks of rice stored in a warehouse in No. 234 J.P. Rizal Street, Calamba, Laguna. Our Enforcement and Security Service conducted a surveillance to validate the presence of the alleged smuggled rice. Upon confirmation of the presence of rice, I immediately issued a letter of authority no. 07-24-042-2018 to inspect and visit said warehouse," Commissioner Lapeña said.

Initial inventory conducted by the ESS shows there were more or less 10,000 sacks of rice imported from Thailand and Vietnam.

"Based on the report of ESS Director Yogi Filemon Ruiz, the rice is consigned to a certain Marcelo Rice Trading while the warehouse is owned by a certain Henry Uy and Jason Feng," the Bureau chief said.

The warehouse owner and the consignee were not on the premises during the raid. ESS agents found the company accountant, Ms. Janice Peng, and demanded proof of payment for the duties and taxes of the subject imported rice. However, no documents were presented to show evidence of payment of duties and taxes and the corresponding import permit.

Section 224 of the Customs Modernization and Tariff Act has given the Commissioner or any customs officer who is authorized in writing by the Commissioner, to demand evidence of payment of duties and taxes on imported goods openly for sale or kept in storage.

"The interested party is given 15 days to prove or show the source of the goods and the payment of duties and taxes. If they fail to do so, the goods will be seized and subjected to forfeiture proceedings," the Customs chief added.

An in-depth investigation of the Bureau of Customs in coordination with the National Food Authority is ongoing to determine whether the imported rice was smuggled.

As of press time, upon checking with the NFA and the records of BOC, there is no import permit issued to Marcelo Rice Trading.

"Despite the need to address the rice shortage in the country, it is also our mandate to protect the interest of the government and the people especially our own rice farmers.

"I will not let these smugglers and their protectors manipulate the prices of rice and let the Filipino people be at a disadvantage. Our President Duterte is already rallying for the rice tariffication bill so our importers will be given much more freedom to import the staple food of the country," Commissioner Lapeña said.

The rice tariffication bill seeks to remove quantitative restrictions on the importation of rice. The bill seeks to amend Republic Act 8178 also known as the Agricultural Tariffication Act of 1996 to reform the agricultural sector.

However, Lapeña appealed to the importers to give what is due to the government. He also ordered all ports to remain vigilant and stop all forms of economic sabotage.

BOC strengthens anti-smuggling drive vs rice imports



BOC raids Tondo warehouse with fake cigarettes and other fake goods

More or less P55 million worth of fake cigarettes and other merchandise goods stored inside a warehouse in Tondo, Manila were intercepted by the Bureau of Customs – Enforcement and Security Service (ESS).

Commissioner Isidro Lapeña led the inspection on Wednesday of the subject warehouse located at #1515 Antonio Rivera Street, Tondo, Manila.

"There was a tip from the brand owner, which we received through the ESS two weeks ago, that fake cigarettes, cellphone accessories and chargers, DVD replicating machines, and blank DVDs are stored inside the warehouse in Tondo, Manila," said Lapeña.

Acting on the report received, the Customs chief immediately issued on July 23 a Letter of Authority number 07-24-040-2018 to investigate and inspect the said warehouse.

The operation was in coordination with the local police, barangay officials, and the brand owner representatives.

Found inside the warehouse were approximately 120 cartons of fake cigarettes, three (3) DVD replicating machines, more or less 300 boxes of blank DVDs, and assorted cellphone chargers and accessories inside the warehouse.

According to ESS, the three DVD replicating machines are estimated to have a market value of more or less P45-million,

while the fake cigarettes and other merchandise goods are estimated to be worth P10-million.

"The seized cigarettes were verified as fake versions of Marlboro, Jackpot, More, Belmont, Fortune, and Two Moon based on the examination conducted by the brand owner representatives," Ruiz explained.

Based on the initial investigation



made by the ESS, the warehouse is allegedly owned by certain Sonny Kho and Tito Yao.

The warehouse owners were not in the premises during the raid except the warehouse administrator identified as Reggy Tan.

According to ESS Director Yogi Felimon Ruiz, the successful operation was a result of a three-day surveillance work on the target warehouse.

The goods will undergo seizure and forfeiture proceedings for violation of the Republic Act No.

8293 or the Intellectual Property Code of the Philippines, and other pertinent provisions of the Customs Modernization and Tariff Act.



BUREAU OF CUSTOMS IN ACTION



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