



PORT SENTINEL

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BOC takes custody of Skyjet aircraft

Agents of the Bureau of Customs on March 29 seized a Skyjet aircraft, after its owners failed to present a certificate of payment of duties and taxes during an inspection at the Domestic Airport in Pasay City.

James Layug, head of Special Studies and Project Development Committee (SSPDC), said the aircraft was being used to bring local tourists and chartered flights to different destinations in the country.

“The airline’s property custodian was unable to show proof of payment of duties and taxes and other documents on the acquisition of the aircraft and its operations,” Layug added.

Magnum Air Inc., the aircraft owner and operator of Skyjet Airlines, had already been delisted from the Subic Bay Freeport List of Locators and had ceased operations since 2014.

Customs Commissioner Nicanor Faeldon had ordered an investigation of the aircraft’s activities after reports reached the bureau about the illegal operation.

Magnum Air Inc. was given a 15-day period to present the required documents on the plane’s ownership and operations.

“Failure to do so would result in the issuance of a Warrant of Seizure and



Detention (WSD) against the aircraft,” Faeldon said.

“We have to be vigilant as we protect our borders on land, air and sea at all

times,” he added.

The aircraft is now under the custody of Aircraft Operations Division BOC-NAIA.

San Jose Builders faces complaints for tax dues

The Bureau of Customs has initiated a complaint on April 25 before the Office of the Solicitor General (OSG) against the builder of the Philippine Arena in Malolos for failing to settle their tax obligations with the agency.

The BOC’s Legal Service filed a complaint against real estate developer New San Jose Builders Company (San Jose), Centennial Guarantee Assurance Corp. (CGAC), Intra Strata Assurance Corp. (ISAC) and Philippine Fire and Marine Insurance Corp. (PFMIC) whose tax dues amounting to P947.29 million.

Republic Act No. 9593, or the Tourism Act of 2009, ensures privileges to companies within the Tourism Enterprise Zone. Section 86 of the Act provides that “subject to rules and regulations which properly define capital investments and equipment necessary for various kinds of tourism enterprises, registered enterprises shall be entitled to an exemption of 100% of all taxes and customs duties on importations of capital equipment.”

San Jose availed itself of the said privilege when it imported construction-related items from 2012 to 2013 during the construction of the Philippine Arena in the City of Malolos, Bulacan province.

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4 foreign ships seized in Aparri

Four foreign vessels involved in illegal quarrying of magnetic black sand along the Cagayan River were seized by the Bureau of Customs (BOC) on April 8.

The bureau’s Special Studies and Project Development Committee (SSPDC), with the help of barangay officials, located the MV Nova 1 at the Parradun Sur Quarry Site in Aparri while MV Vela 1, MV Vela 3 and Monte Cristo II were found at the Hua Xia/Pine Sand compound in Barangay Tallungan, also in Aparri after a mission order was issued by Customs Commissioner Nicanor Faeldon.

“These foreign vessels have been smuggled into the country,” the

commissioner said after its owners failed to present documents to the BOC agents showing that duties and taxes had been paid by its owners.

All four vessels are said to have an estimated value of P200 million.

“This latest seizure only points to the unyielding efforts of the BOC to put a stop to smuggling and other illicit trade activities, whether by land or sea,” said Faeldon, as he sent a strong warning to those in the business of importing vessels illegally.

BOC will remain even more vigorous in our mission to run after violators, he added.





BOC denies Mighty's plea to lift suspension order

The Bureau of Customs on April 11 denied Mighty Corporation's (MC) motion to lift a suspension order against it after the owners failed to present documents to identify and examine shipments that already arrived prior to the suspension.

BOC Commissioner Nicanor Faeldon signed the order denying the motion, stressing the purpose of a preventive suspension which would prevent and suppress smuggling.

MC filed a motion for the temporary lifting of the suspension on April 3, a month following the preventive suspension of its importer's accreditation.

The cigarette company's motion was limited to "those shipments that had arrived prior to the suspension" and "those that were in transit."

MC argued that the shipments would deteriorate and would substantially hamper

its operations. The cigarette manufacturer then undertook steps to pay duties and taxes due on the shipments and to post a bond to cover any damage on the part of the BOC.

Government prosecutor Danilo Campos, however, opposed the motion, saying that while MC offered to pay the rightful duties and taxes and to post bond, it failed to present supporting documents, particularly the Bills of Lading (BL).

Without the BL, the BOC would not be able to identify and examine the shipments that MC wants to be processed.

Because of MC's inability to present the BL, the bureau could not identify the ports where MC shipments are now being stored pending their release.

The preventive suspension was part of the bureau's function to prevent smuggling and other instances of customs fraud, Faeldon said.

Customs-Tacloban overshoots Q1 target, posts 400% surplus collection for April

With the implementation of the Customs Modernization and Tariff Act (RA 10863) and robust economic activities in Eastern Visayas, including the direct importation of diesel and unleaded fuels by SEAOIL Phils. Inc. at VISPET Oil Depot in Babatngon, Leyte, the Bureau of Customs-Tacloban has not only posted a double-digit collection growth, but also surpassed its quarterly goals as all three ports exceeded their respective targets.

Total collection of taxes from January to March have increased to 32 percent or equivalent to P68.614 million, compared to P43.62 million in the same calendar period in 2016.

The following port and sub-ports have exceeded their respective target collection from January to March 2017: Port of Tacloban with P51.7 million, 37 percent higher from its P37.6 million target; Sub-port of Isabel with P11.8 million, 22.6 percent higher from its P9.6 million target; and Sub-port of Catbalogan with P5.16 million, 7.4 percent higher from its P4.8 million target.

Meanwhile, Collection District 8 has also exceeded its target for April by 400 percent posting P72.4 million cash collection over its P18.1 million target.

OIC District Collector Avelino Alberca expressed optimism that Collection District 8 would be able to surpass its goal for the second quarter of this year.

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SMTI appeals to tax court over forfeited vessel

The Seaworld Management and Trading Incorporation (SMTI) has filed a petition for review before the Court of Tax Appeals (CTA) over the forfeiture of P1 billion worth MT Alpine vessel by the Bureau of Customs last December 17, 2016.

"SMTI questioned the legality of the seizure and forfeiture by the BOC-Port of Limay and appealed to CTA for the release of the said vessel," Commissioner Nicanor Faeldon said.

The case stemmed from BOC-Port of Limay's seizure of MT Alpine for unlawful discharge and transfer of fuel oil to MT Malolos without paying taxes.

District Collector Julius Premediles, head of Port of Limay, disputed SMTI's claim for appeal.

"The non-payment of duties and taxes on the subject shipment which was discharged via loop loading from their vessel to MT Malolos qualifies the importation as contrary to law thus subject to seizure and forfeiture," Premediles said.

The developer was required to post bonds to cover duties and taxes for its shipments since it did not have certificates of exemption from the Department of Finance.

It posted bonds amounting to P947, 292, 025.72 issued by the three surety companies said in the complaint.

Since the DOF did not grant the exemption, San Jose was required to pay duties and taxes due on their importations. Demand letters were sent by the District Collector of the Port of Manila (POM) to San



He stressed that SMTI should have exhausted all administrative remedies before bringing the case to the CTA.

The vessel was forfeited in favor of the state in accordance with Section 1113 (a) of the Customs Modernization and Tariff Act

of 2016 and other customs laws, rules, and regulations.

Customs Commissioner Nicanor Faeldon has reminded illegal traders to straighten up and strictly observe the rules to avoid problems.

FROM PAGE 1

San Jose

Jose, CGAC, ISAC and PFMIC in 2015. On July 28, 2015, the District Collector sent a final demand letter to the surety companies.

On December 1, 2015, the acting chief of the POM's Bonds Division recommended the forfeiture of the bonds for the failure of San Jose and the surety companies to settle their obligations, despite the BOC's repeated demands.

The POM's Law Division, likewise, recommended the forfeiture of the matured bonds in a memorandum dated September

20, 2016. It was forwarded by the division's Officer in Charge to BOC Commissioner Nicanor Faeldon for approval.

Section 1132 of the Customs Modernization and Tariff Act provides civil remedies to the BOC for the collection of duties and taxes. Among these remedies are the distraint of goods and other personal property such as stocks and other securities and the filing of civil or criminal suits against violators.





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BOC Zamboanga meets Q1 year target

The Bureau of Customs Port of Zamboanga has exceeded its revenue collection target for the third quarter of 2017, following the increase in importation of helicopter, cement and other goods in March and April.

The actual port collection has reached over P32.7 million for the month of March, surpassing its target of

P18.2 million by 179.2 percent.

A rise in the revenue collection was also recorded in April, which amounts to P59.1 million, exceeding its P18.5 million target.

According to Atty. Halleck A. Valdez, OIC District-Collector, the rise in the revenue collection was brought by the duties and taxes gathered from an

importation of one private helicopter with total dues amounting to P37. 5 million.

Continuous arrival of significant volume of cement cargoes and other goods also contributed to the higher collection records of the port.

In January, the port exceeded its P18 million collection target by posting

about P60.7 million. About P14 million variance was also recorded in the month of February which contributed to the increase in the revenue collection for the whole year.

This has allowed the agency to meet its target goal covering until the 3rd quarter of the year, Valdez concluded.



Airport Customs collars bogus brokers

Customs authorities of NAIA and Pasay City PNP arrested two fake customs brokers after using false customs documents to dupe a legitimate importer of more than P300,000 pesos.

Cresencio Alao, a customer service representative, and Jerome Castor, the alleged customs broker, who identifies themselves as member of AZ Systems Logistics were charged with estafa and falsification of public documents.

Reports showed that Castor, also using an alias Brian Mendoza, offered the victim brokerage services to clear her incoming shipment.

According to reports, Castor demanded a lump sum amount of P377,169 in payment for the computed duties and taxes and other charges for the victim's shipment and asked for an additional P10k for clearance. To invalidate suspicion, the victim demanded copies of customs documents.

She was emailed a set of documents which she printed and verified with customs authorities.

Upon verification, the documents were later found out to be fake. The customs authorities in coordination with Pasay PNP personnel planned an

entrapment operation against the bogus brokers.

When the arrest was made, Alao surrendered a bundle of money amounting to P104,300, his slice from the money deposited to the AZ Systems Logistics Co. account.

Collector Edgar Z. Macabeo, NAIA Customs District Collector, said that the incident highlights the need for importers to be vigilant of the scammers and syndicate that will try to prey on their inadequate knowledge of customs cargo clearance processes.

"Customs systems are largely automated and payments of duties and taxes are done through the banks," he added.

He also called the attention of the Licensed Customs Brokers profession to close ranks, implement measures that will counter scams and other fraudulent practices that give their profession a black eye.

The suspects will be facing charges of estafa and falsification of public and/or commercial documents and are now banned from transacting with BOC-NAIA.

FROM PAGE 2

Port of San Fernando joins SILLAG Festival 2017

The Bureau of Customs – Port of San Fernando recently partnered with Poro Point Management Corporation (PPMC) and the Provincial Government of La Union in celebrating SILLAG Poro Point Festival of Lights 2017.

Employees of Collection District I headed by District Collector Romeo Allan R. Rosales participated in the SILLAG Fun Run: Run for Hope on April 7 which started from the Poro Point Baywalk and ended at the SILLAG Village.

Moreover, Collection District 1 set up a booth and help desk in the SILLAG Village and conducted an information drive to the people by giving fliers and answering queries relative to BOC's recent policies and programs on Balikbayan Boxes, De Minimis Importation, avoiding e-mail scams, and claiming parcels at postal offices among others.

Customs-Tacloban

"We are expecting more importations of cement and petroleum products such as diesel, unleaded and liquefied petroleum gas (LPG) in the coming months, which will help us achieve or even exceed our target tax collection for this quarter," he said.

Earlier, during the 115th Founding Anniversary Celebration on February 7 at Port Area, Manila, Commissioner Nicanor Faeldon recognized Tacloban as one of the outstanding performers for 2016 along with 10 other major ports namely: Limay, San Fernando, Subic, Manila, Davao, Legazpi, Iloilo, Cebu, Zamboanga and Cagayan de Oro.

Said event was personally graced by the President Rodrigo Duterte as their guest speaker.



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Port of Manila takes image building in “hugot” shirts

Customs officials and employees in the Port of Manila (POM) wear hugot shirts every Friday, but for them, these are not just witty quotations emblazoned at the back of their shirts.

The POM, the country’s second biggest port in terms of volume and capacity, launched the first wave of its image building campaign with its officials and personnel dressed in statement shirts.

Started on April 21, the campaign’s objective is to align behavioral practices while transforming the belief system of personnel that will help the Bureau of Customs (BOC) to improve its image.

“In this way, the transacting public can expect a higher level of expertise from our people and it’s anchored on the policy of Commissioner Nicanor Faeldon,” said POM district collector and lawyer Rhea Gregorio.

“The mindset of all involved in the transactions whether they are from BOC or stakeholders, they should be consistently taking steps towards the

right direction,” she added.

Hugot is a Filipino term which means to draw from which they use in the context of expressing emotions or deep sentiments.

The messages printed on the shirts of Customs officials and personnel in POM are both in English and Filipino dealing with change and transformation. Here are some hugot lines from their shirts:

“Progresibong pagbabago sa Aduana, isapuso, isaisip, at isagawa.”

“Be the Change.”

“Paglingkuran ang sambayanan, katiwalian ay labanan.”

“I am transformed!”

The POM found success from the reform measures initiated by Faeldon after it collected P5.781 billion, higher by P30 million than its P5.751-billion revenue target in March.

Manila port officials believe that the positive trend in revenue performance will continue until the remainder of year under the leadership of both Gregorio and Faeldon.



Superstar Virgo makes Port of Manila its new homeport



International cruise ship, Superstar Virgo, has made Manila as its homeport for the first time ever as it started sailing from POM on March 19 until its trip on MAY 28.

“It is our honor to call Port of Manila, Superstar Virgo’s new homeport until next month,” POM collector and lawyer Rhea M. Gregorio said.

In light of the growing cruise tourism in the country, the Bureau of Customs (BOC) is one with its commitment to provide efficient and excellent service especially to the embarking and disembarking passengers in POM, she added.

From Manila, Superstar Virgo, known as the “Jewel of the South China Sea,” disembarked for Laoag, Ilocos Norte, Kaohsiung in Taiwan, and in Hong kong before it sails back to POM.

Now POM is a homeport for the cruise ship, it puts Manila on the Asian cruising map currently dominated by Singapore, Malaysia, and Thailand, followed by Hong Kong, China, and

Taiwan.

Superstar Virgo, a 13-storey cruise ship, offers a wide range of amenities such as an outdoor swimming pool, 100-meter mega slide, theater featuring full-production shows, mini golf course gym, karaoke room, sauna and spa.

It is equipped with 935 cabins, 15 bars and restaurants, and has grand staircase and soaring atrium. Some rooms include sea-view cabins and balcony suites.

One of the highlights of the cruise is the “High Seas” or “Cruising Day” a gala dinner wherein guests can meet the ship captain and cabin crew.

Star Cruises’ Superstar Virgo is expected to make 20 dockings at Pier 15 in Manila, with a total of 15 voyages planned this year.

The international cruise ship was originally set to sail for Manila-Laoag-Kaohsiung-Hong Kong route from March 19 to May 23, but it was extended until May 28 due to the increasing demand from Filipinos for cruising.



BOC exceeds Q1 revenue target

The Bureau of Customs collected P104.9 billion in revenue for the first quarter of the year, up 0.4 percent from the P104.56 billion collection target set for the period.

The collection for the first quarter of 2017 was 15.9 percent higher than the P90.501 billion reported during the same period last year.

Eleven of 17 collection districts exceeded their target revenues from January to March, thereby improving the bureau's collection performance.

The Ports of Limay, Subic, Davao, and Cagayan de Oro were among the district ports that exceeded their collection targets.

The Port of Limay's actual take amounted to P6.859 billion, up 0.4 percent from P6.828 billion target.

The Port of Cagayan de Oro collected P3.047 billion, 16 percent higher against the P2.624 billion target.

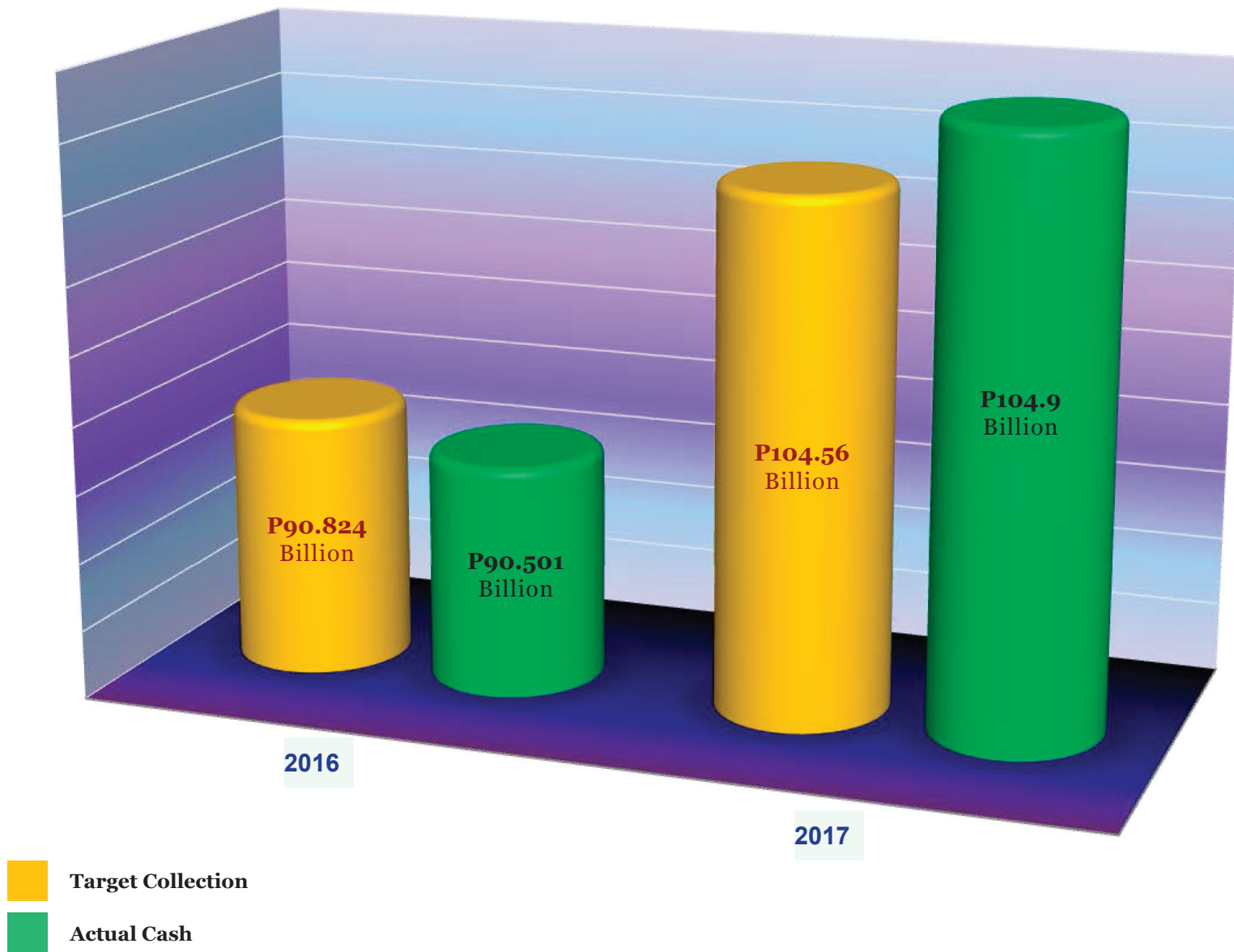
The Port of Davao's collection was placed at P3.648 billion, exceeding by 15.8 percent its target of P3.151 billion.

On the other hand, the 16.2 percent-increase in the collection of the Port of Subic contributed dramatically to the spike in collection performance. Subic's total collection amounted to P4.271 billion as against its P3.677 billion target.

Other ports that hit the target collections:

- Port of Clark, P355.2 million, or 16.6 percent higher than the P304.7 million target
- Port of Zamboanga, P126.7 million, or 136.8 percent higher than the P53.5 million target.
- Port of Tacloban, P61.7 million, or 20.4 percent higher than the P51.3 million target
- Port of Iloilo, P677.3 million, or 16.8 percent higher than the P579.8 million target
- Port of Legaspi, P151.9 million, or 157.8 percent higher than the P58.9 million target
- Port of San Fernando, P752.4 million, or 39.5 percent higher than the P539.2 million target.
- Port of Cebu, P5.179 billion, or 1.5 percent higher than the P5.103 billion target

Meanwhile, Port of Manila and Manila International Container Port posted P16.088 billion and P31.947 billion, respectively. Both ports are also nearing their collection targets.



BOC finds marijuana hidden in parcel



A package shipped from Canada was seized by the Bureau of Customs after it was found to contain marijuana valued at P102,900 on April 4 at the Central Mail Exchange Center (CMEC) warehouse in Pasay City.

Upon examination by teams from the CAIDTF, NAIA Customs Police, NAIA Collection District III and the NAIA Inter Agency Task Group, four vacuum-sealed plastic pouches containing 343 grams of cannabis dried leaves, an illegal substance more popularly known as marijuana, was discovered in the parcel which was declared as samples of

sweaters

Under Republic Act (RA) 9165, otherwise known as The Comprehensive Dangerous Act of 2002, marijuana is classified as a dangerous drug.

Deandre Travis Johnson Cruz, who was identified as the claimant of the seized parcel, was brought to the Pasay City Hall of Justice for an investigation.

Charges will be filed against the suspect for the violation of provisions of RA 10863, otherwise known as the Customs Modernization and Tariff Act (CMTA).

BOC agents seized counterfeit goods in Bulacan

Agents of the Bureau of Customs (BOC) raided several warehouses in Marilao, Bulacan on Wednesday and seized counterfeit products valued at P500 million.

Found during the raids were several tons of used clothing or 'ukay-ukay'.

Joel Pinawin, an intelligence officer and head of the raiding team, said the counterfeit items also violated RA No. 8293, otherwise

known as the Intellectual Property Code of the Philippines.

Republic Act No. 4653 prohibits the commercial importation of textile articles commonly known as used clothing and rags.

Estrella said the owner of the warehouse would be invited to the BOC for questioning and to present import documents.



High-end cars seized in Subic



Three high-end used vehicles shipped from Korea with an estimated value of P10 million were impounded by the Bureau of Customs last January in Subic, Zambales province.

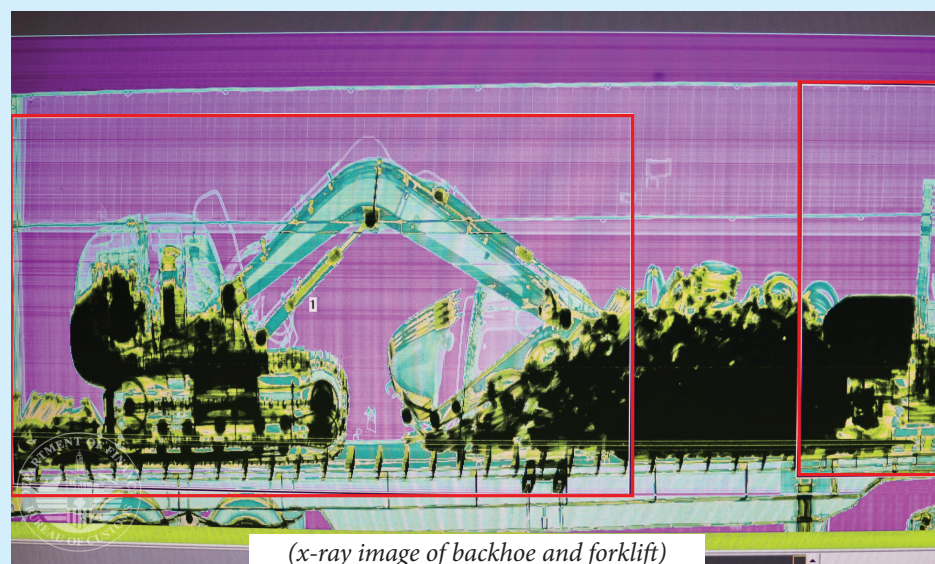
The vehicles – 1 used BMW 745 Sedan, 1 used BMW 745 Li Sedan and a Hyundai Equus JS350 Sedan – arrived at the Port of Subic on board M/V SITC Osaka 1636S and were consigned to Sea Star Express Corp., a freight forwarder.

Customs Commissioner Nicanor

Faeldon had issued an alert order regarding the vehicles upon the recommendation of Customs Intelligence and Investigation Service-Intelligence Group (CIIS-IG), Port of Subic through its Office of the District Collector after violating the provision of CMTA in relation to Section 3 of Executive Order 156.

The cars are now in the custody of the BOC for further examination and evaluation.

Customs busts misdeclared backhoe, forklift



(x-ray image of backhoe and forklift)

The Bureau of Customs (BOC) seized a 40-foot container on April 24 at the Port of Manila after X-ray machines revealed a backhoe and forklift inside which appeared to be misdeclared.

Maj. Jaybee Raul Cometa, head of the X-Ray Inspection Project, said the imported items, declared as a shipment of carbon wire, arrived from China on April 17.

The owner of Upairi Trading, located on Beaterio Street, Intramuros, Manila, and the company's broker could face

charges for smuggling the shipment into the country, said Deputy Commissioner Ariel Nepomuceno, head of the Enforcement Group.

Commissioner Nepomuceno recommended the issuance of a Warrant of Seizure and Detention (WSD) against Upairi Trading for possible violation of CMTA.

At the same time, the bureau chief recommended the filing of criminal cases against the violators.



Enforcement and Security Service 29th Anniversary

April 10, 2017

