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REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF CUSTOMS

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21 October 2024

CUSTOMS MEMORANDUM CIRCULAR
NO. 177-2024

TO : ASSISTANT COMMISSIONER
ALL DEPUTY COMMISSIONERS
ALL DIRECTORS AND DIVISION CHIEFS
ALL DISTRICT AND SUB-PORT COLLECTORS
ALL OTHERS CONCERNED

SUBJECT : REPUBLIC ACT NO. 12022

Attached herewith is Republic Act No. 12022 from the Office of the President, Malacañang Palace, which was approved on 26 September 2024 entitled: **“AN ACT DEFINING THE CRIMES OF AGRICULTURAL ECONOMIC SABOTAGE, PRESCRIBING PENALTIES THEREFOR, VESTING JURISDICTION OVER SUCH OFFENSES WITH THE COURT OF TAX APPEALS, PROVIDING MECHANISMS FOR ITS IMPLEMENTATION AND ENFORCEMENT, REPEALING FOR THE PURPOSE REPUBLIC ACT NO. 10845 OR THE “ANTI-AGRICULTURAL SMUGGLING ACT OF 2016”.**

For records purposes, please disseminate this circular throughout your respective offices and submit the necessary confirmation within fifteen (15) days from receipt hereof.

For your information and reference.

BIENVENIDO Y. RUBIO
Commissioner



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S. No. 2432
H. Nos. 3917 and 9284

Republic of the Philippines
Congress of the Philippines
Metro Manila

Nineteenth Congress

Third Regular Session

Begun and held in Metro Manila, on Monday, the twenty-second day of July, two thousand twenty-four.

[REPUBLIC ACT NO. 12022]

AN ACT DEFINING THE CRIMES OF AGRICULTURAL ECONOMIC SABOTAGE, PRESCRIBING PENALTIES THEREFOR, VESTING JURISDICTION OVER SUCH OFFENSES WITH THE COURT OF TAX APPEALS, PROVIDING MECHANISMS FOR ITS IMPLEMENTATION AND ENFORCEMENT, REPEALING FOR THE PURPOSE REPUBLIC ACT NO. 10845 OR THE "ANTI-AGRICULTURAL SMUGGLING ACT OF 2016"

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

CHAPTER I

PRELIMINARY PROVISIONS

SECTION 1. *Short Title.* – This Act shall be known as the "Anti-Agricultural Economic Sabotage Act".

CHAPTER II

GENERAL AND COMMON PROVISIONS

SEC. 2. *Declaration of Policy.* - It is the policy of the State to promote the productivity of the agriculture sector; protect farmers and fisherfolk from unscrupulous traders and importers, and ensure reasonable and affordable prices of agricultural and fishery products for consumers.

It is the policy of the State to prevent smuggling of agricultural and fishery products, which negatively affects supply, production, and price stability of agricultural products and threatens food security. The State shall also eliminate hoarding, profiteering, and cartel that unduly restrain supply and manipulate prices. These illegal acts likewise deprive the State of much needed taxes and revenues for economic development.

The State shall therefore impose severe sanctions on the nefarious acts of smuggling, hoarding, profiteering, and cartel of agricultural and fishery products as a self-preservation measure to shield itself from the manipulative scheme of economic saboteurs, protect the livelihood of our farmers, plug leakages in tax and duty collections on these products, protect the State from tax evaders and non-payers of duties, and ensure the well-being of agricultural and fishery producers, the welfare of the consumers, and the soundness of the economy.

SEC. 3. *Definition of Terms.* - For purposes of this Act:

(a) *Abnormal Situation* refers to supply shortage or unreasonable increase in prices of agricultural and fishery products. It may pertain to only one (1) agricultural or fishery product;

(b) *Broker* refers to any person who acts as such, whether licensed or not, whose services consist of any of the following: consultation; preparation of customs requisite document for imports and exports; declaration of customs duties and taxes; preparation, signing, filing, lodging, and processing of import entries; acting as facilitator; acting as agent of importers before government agencies and private entities; and rendering other services on matters relating to customs and tariff laws, its procedures, and practices;

(c) *Constructive Custody* refers to the authority of the Anti-Agricultural Economic Sabotage Enforcement Group (Enforcement Group) under Section 18 of this Act to restrict or prevent the movement or removal, from the place of discovery or storage, of agricultural or fishery products that are suspected of being the subject of smuggling, hoarding, profiteering, or cartel during the twenty-four (24)-hour period given to the owner or possessor of the said products to show proof of compliance with or non-violation of this Act;

(d) *Daily Price Index (DPI)* refers to a system of monitoring and publishing or broadcasting the prevailing retail prices of agricultural and fishery products in all regions of the country on a day-to-day basis;

(e) *Economic Sabotage* in agriculture refers to any act or activity that disrupts the economy by creating artificial shortage, promoting excessive importation, manipulating prices and supply, evading payment or underpaying tariffs and customs duties, threatening local production and food security, gaining excessive or exorbitant profits by exploiting situations, creating scarcity, and entering into agreements that defeat fair competition to the prejudice of the public;

(f) *Import Clearance* refers to a written certificate issued by the concerned regulatory agency stating the volume, classification, and quality of the imported product. This includes the Minimum Access Volume (MAV) import certificate, import permit, Sanitary and Phytosanitary (SPS) Import Clearance, Clearance for Release of Imported Sugar, or any other equivalent document issued for the importation of agricultural and fishery products;

(g) *Importation* refers to the act of bringing in goods from a foreign territory into the Philippine territory, whether for consumption, warehousing, or admission as defined in Republic Act No. 10863 or the "Customs Modernization and Tariff Act (CMTA)";

(h) *Person* refers to a natural or juridical person;

(i) *Sanitary and Phytosanitary (SPS) Measures* refer to any legislation, regulation, requirement, or procedure applied

for the purpose of (1) protecting animal or plant life and health within the territory of the Philippines from risks arising from the entry, establishment, or spread of pests, diseases, disease-carrying organisms or disease-causing organisms; (2) protecting human or animal life and health from risks arising from additives, contaminants, toxins, or disease-causing organisms in agricultural imported products; (3) protecting human life and health from risks arising from diseases carried by animals, plants, or products thereof, or from the entry, establishment, or spread of pests; or (4) preventing or limiting other damage from the entry, establishment, or spread of pests within the territory of the Philippines;

(j) *Simple Process of Preparation or Preservation of an Agricultural and Fishery Product for the Market* refers to the process of handling agricultural and fishery products in its original state through freezing, drying, salting, broiling, roasting, smoking, or stripping;

(k) *SPS Import Clearance* refers to the document issued by the concerned bureau or agency prior to importation to ensure that imported products meet the standards to protect human, animal, or plant life and health, ensure that the agricultural or fishery products are safe for consumers, and to prevent the spread of pests or diseases among animals or plants. Such document also prescribes the conditions to be complied with by the importer to maintain the quality and suitability of the product for its intended purpose;

(l) *Tobacco* refers to unmanufactured and manufactured tobacco, including finished products such as cigars, cigarettes, or heated tobacco products.

Unmanufactured tobacco refers to agricultural components derived from the tobacco plant, which are processed for use in the manufacturing of cigarettes and other tobacco products.

Manufactured tobacco refers to any finished product that contains tobacco such as cigarettes, cigars, heated tobacco products, or any product containing tobacco that is intended for smoking, heating, puffing, oral, or nasal use.

For purposes of this Act, *smuggled tobacco* refers to tobacco that is:

(1) Not compliant with prevailing laws, or with the following processes and requirements of the Bureau of Internal Revenue (BIR) and/or other relevant regulatory agencies for the importation of tobacco products including the:

(i) Registration with the BIR of the particular variant and brand to be imported;

(ii) Pre-approval of packaging bearing the required graphic health warnings and other mandated fiscal markings for imported tobacco products; and

(iii) Advance payment of excise taxes and affixing of genuine required tax stamp or marking as proof of payment; or

(2) Subject of a misdeclaration, misclassification, and/or undervaluation, resulting in the non-payment of the proper customs duties.

The sale of tobacco products at a price thirty percent (30%) below the DPI shall raise the presumption that acts of smuggling have been committed;

(m) *Trade Regulatory Agencies* refer to the Bureau of Plant Industry (BPI), Bureau of Animal Industry (BAI), Bureau of Fisheries and Aquatic Resources (BFAR), National Meat Inspection Service (NMIS), National Tobacco Administration (NTA), and Sugar Regulatory Administration (SRA); and

(n) *Value* refers to the retail prices of agricultural and fishery products as set by the DPI, multiplied by the quantity of the product at the time of the commission of the crime. For manufactured tobacco, the retail price shall be inclusive of excise tax and value-added tax (VAT).

SEC. 4. *Covered Agricultural and Fishery Products.* -

The following agricultural and fishery products are covered under this Act: rice, corn, beef and other ruminants, pork, poultry, garlic, onion, carrots, other vegetables, fruits, fish, salt, and other aquatic products in their raw state or which have

undergone the simple process of preparation or preservation for the market within the primary and post-harvest stages of the food supply chain, palm oil, palm olein, raw and refined sugar, and tobacco.

SEC. 5. *Daily Price Index.* - In support of the implementation of this Act, the Agribusiness and Marketing Assistance Service (AMAS) and the Bureau of Agricultural Research (BAR) of the Department of Agriculture (DA) are hereby mandated to establish, strengthen, and maintain a DPI:

Provided, That the BIR, in consultation with the NTA, will set a minimum price for the sale of tobacco products. The minimum retail price shall take into account the applicable taxes, reasonable production cost, and trade margins for the lowest priced brands registered with the BIR.

The AMAS and BAR, in coming up with the prices, shall ensure that the DPI exhibits transparency and accountability and is published on their official websites and social media platforms. These agencies shall be subject to a periodic audit by an independent party to be decided upon by the Anti-Agricultural Economic Sabotage Council (Council).

The DA shall finish the establishment of the DPI within ninety (90) days from the effectivity of this Act.

Failure in the implementation of this section shall render the head of the concerned offices of the DA liable for administrative and criminal prosecution in accordance with applicable laws and regulations.

SEC. 6. *Registration and Reportorial Requirements.* - Upon effectivity of this Act, all persons engaged in a business involving agricultural and fishery products shall maintain records of their business, which shall be safely stored for five (5) years from the dates of transactions.

All persons with warehouses, cold storage facilities, or any property involved in the storage of agricultural and fishery products, whether owned, leased, or maintained through third persons, shall, upon effectivity of this Act, register the storage facilities with the appropriate regulatory agencies, stating therein:

- (a) The name of the owner of the facility;
- (b) The contractual arrangement for the use of the facility (whether leased or other arrangements), if applicable;

- (c) The complete address of the facility;
- (d) The agricultural and fishery products being stored in said facility;

- (e) The maximum storage capacity of the facility for a particular product in bags, sacks, or kilos; and

- (f) The inventory of any agricultural product in the facility at any given time.

They shall prepare a monthly report on the operations of the said facilities, which shall include an inventory of any agricultural product in the facilities at any given time, which shall be electronically submitted quarterly to the Council, under Section 15 of this Act, through the regulatory agency.

Failure to produce documents and/or records required to be acquired or maintained under this Act, applicable laws, rules, or regulations in connection to a business transaction, or failure to produce a copy of an updated report of the operations of the facilities as submitted to the Council through the regulatory agency, upon demand by any member or a combination of members of the Enforcement Group, shall constitute a *prima facie* evidence of violation of this Act: *Provided,* That the collection, storage, utilization, and transmission of such record submitted to the Council shall be in accordance with Republic Act No. 10173 or the "Data Privacy Act of 2012".

CHAPTER III
ECONOMIC SABOTAGE

SEC. 7. *Agricultural Smuggling as Economic Sabotage.* - Smuggling is the fraudulent act of importing or bringing agricultural and fishery products into the country, or the act of assisting in receiving, concealing, buying, selling, disposing, storing, or transporting such products, with full knowledge that the same have been fraudulently imported.

The crime of agricultural smuggling as economic sabotage is committed when the value of each or of the combination of agricultural and fishery products smuggled by a person is at least Ten million pesos (P10,000,000.00) computed using the DPI at the time the crime was committed.

Agricultural smuggling as used in this Act shall be committed through any of the following acts:

- (a) Importing or bringing agricultural and fishery products into the Philippines without the required import clearance from regulatory agencies;
- (b) Use of import clearance by persons other than those specifically named in the permit;
- (c) Use of fake, false, fictitious, or fraudulent import clearance, shipping documents, or any other transport documentation;
- (d) Selling, lending, leasing, assigning, consenting to, or allowing the use by other persons of the import clearance in the name of corporations, nongovernment organizations, associations, cooperatives, partnerships, or single proprietorships;
- (e) Misclassification, undervaluation, or misdeclaration upon the filing of import entry declaration or transport documentation with the Bureau of Customs (BOC) in order to evade the payment of correct taxes and duties due the government;
- (f) Organizing or using dummy corporations, nongovernment organizations, associations, cooperatives, partnerships, or single proprietorships for the purpose of acquiring import clearance;
- (g) Knowingly transporting or storing smuggled agricultural and fishery products;
- (h) Acting as a broker of the importer;
- (i) Allowing the use of a private port, fish port, fish landing site, resort, and/or airport to perpetrate economic sabotage;
- (j) Distributing, selling, or dealing in any other manner with any agricultural and fishery product which a person knows or should have known to have been imported through

any of the above means, regardless of the value. Selling of tobacco products below the DPI is likewise prohibited; or

- (k) Having been convicted of acts of smuggling under relevant provisions of the CMTA on two (2) separate instances, commits a third violation, which shall now be covered by this Act, regardless of the value of the product.

The Enforcement Group, on the strength of a Letter of Authority (LOA) issued by the Council, shall have the authority to visit areas where the agricultural and fishery products are located, for the purpose of ensuring compliance with this Act and other relevant laws concerning the importation, storage, and/or sale of agricultural and fishery products. The Enforcement Group shall give due notice to the relevant persons, who may be the owner, possessor, or person exercising control over the agricultural and fishery products, to provide proof of compliance with this Act, particularly import documents and proof of payment of duties and taxes in the case of importers, and purchase receipts from suppliers in the case of business establishments other than importers, within twenty-four (24) hours, pending which, the goods shall be placed in the constructive custody of the Enforcement Group.

In the event that the relevant person fails to produce such evidence of compliance within twenty-four (24) hours, the Enforcement Group shall immediately apply for a seizure order and file the relevant case or criminal action in court. Pending the issuance or denial of the seizure order, the subject goods shall remain in constructive custody.

The mere possession or presence of agricultural and fishery products which have been the subject of smuggling referred to in this Act in any fish port, fish landing site, resort, airport, BOC-controlled port, or any warehouse, cold storage, vessel, transport conveyance, and other storage areas shall constitute *prima facie* evidence of agricultural smuggling as economic sabotage.

Any provision of the CMTA to the contrary notwithstanding:

(a) The assessment of duties and taxes of the agricultural and fishery products shall be based on the classification entered in the import entry declaration;

(b) The assessment and readjustment of appraisal of the agricultural and fishery products subject of this Act, insofar as allowing the BOC to adjust and settle the final assessment, are hereby disallowed; and

(c) The Trade Regulatory Agencies are hereby empowered to declare misclassification and misdeclaration, as found in violation of the import clearance.

SEC. 7-A. *Implementation of the National Single Window (NSW).* - The BOC and all Trade Regulatory Agencies shall fully implement the NSW program as originally mandated in Executive Order No. 482, series of 2005, within ninety (90) days from the effectivity of this Act.

Upon the effectivity of this Act and until the full implementation of the NSW, the BOC and Trade Regulatory Agencies concerned shall, immediately after approval of import application and receipt of notice of arrival, furnish the Council with electronic copies of the following:

(a) All import applications containing relevant information of the importer(s), consignee(s), and broker(s);

(b) All import orders and import clearances;

(c) Name and other relevant information of the foreign exporter(s);

(d) All certificates issued in the country of origin proving compliance with the conditions set in the import clearance;

(e) Other equivalent documents issued to or submitted by importers of agricultural and fishery products; and

(f) Such other relevant documents as may be required by the Council pursuant to the implementation of this Act.

Failure to implement the NSW and/or furnish the Council with the above-enumerated documents shall subject the head of the concerned office of the BOC and Trade Regulatory

Agencies to administrative and criminal prosecution in accordance with applicable laws and regulations.

SEC. 8. *Agricultural Hoarding as Economic Sabotage.* - Agricultural hoarding as economic sabotage is committed by a person or combination of persons by having stocks of agricultural and fishery products in excess of thirty percent (30%) of their normal inventory level ten (10) days after the declaration of an abnormal situation by the Council or after the declaration of an emergency or state of calamity by competent authority.

Upon the declaration of an abnormal situation by the Council, or an emergency or state of calamity by competent authority, all persons shall sell to the public their stocks of agricultural and fishery products in excess of their normal inventory level within ten (10) days from the said declaration.

After ten (10) days from said declaration, the Enforcement Group, on the strength of a LOA issued by the Council, shall have the authority to visit areas where the agricultural and fishery products are located, for the purpose of ensuring compliance with this Act and other relevant laws concerning the sale of agricultural and fishery products to the general public. The Enforcement Group shall give due notice to the relevant persons, who may be the owner, possessor, or person exercising control over the agricultural and fishery products, to provide proof of compliance with this Act, particularly documentary proof that stocks are within normal inventory level or final contracts of sale covering existing stocks, within twenty-four (24) hours, pending which the goods shall be placed in the constructive custody of the Enforcement Group.

In the event that the relevant person fails to produce such evidence of compliance within twenty-four (24) hours, the Enforcement Group shall immediately apply for a seizure order and file the relevant case or criminal action in court. Pending the issuance or denial of the seizure order, the subject goods shall remain in constructive custody.

In cases where the business has been in existence for more than a year, the normal inventory level shall be the average inventory for the twenty-four (24)-month period preceding the declaration by the Council of an abnormal

situation, or declaration by competent authority of emergency or state of calamity; otherwise, normal inventory level shall be the average of the months from the start of the business.

SEC. 9. *Agricultural Profiteering as Economic Sabotage.* - Agricultural profiteering as economic sabotage is the sale or offer for sale of agricultural and fishery products at a price at least ten percent (10%) in excess of the DPI, at the time of the declaration of an abnormal situation by the Council, or emergency or state of calamity by competent authority.

Profiteering shall not apply to retailers who purchase goods from wholesalers, importers, or producers, and directly sell in smaller quantities to the general public, usually in wet markets, *talipapa*, and cooperative stores with capitalization not exceeding Two hundred thousand pesos (P200,000.00), and farmers and fisherfolk selling their own harvest, produce, or catch.

There shall also be *prima facie* evidence of profiteering whenever a product is sold or offered for sale at a price thirty percent (30%) in excess of the DPI at the time of said declaration.

Profiteering shall not apply to price increases set by manufacturers of tobacco as a consequence of mandated excise tax increases in accordance with law.

The Enforcement Group, on the strength of a LOA issued by the Council, shall have the authority to visit areas where the agricultural and fishery products suspected to be the subject of profiteering are located and shall give due notice to the relevant persons, who may be the owner, possessor, or person exercising control over the agricultural and fishery products to provide justification for the unreasonable price increase, such as cost of acquisition and sales receipts, within twenty-four (24) hours, pending which the products shall be placed in the constructive custody of the Enforcement Group.

In the event that the relevant person fails to provide justification for the unreasonable price increase within twenty-four (24) hours, the Enforcement Group shall immediately apply for a seizure order and file the relevant case or criminal action in court. Pending the issuance or denial of the seizure order, the subject goods shall remain in constructive custody.

SEC. 10. *Engaging in Cartel as Economic Sabotage.* - There shall be *prima facie* evidence of engagement in cartel as economic sabotage when two (2) or more persons competing for the same market and dealing in the same agricultural and fishery products agree to perform uniform, simultaneous, or complementary acts among themselves and actually perform such acts designed to artificially and unreasonably increase or manipulate the supply or prices of such products, thereby stifling competition, as defined in Section 14 of Republic Act No. 10667 or the "Philippine Competition Act", to the detriment of consumers, or the decrease in farmgate prices to the detriment of the agricultural and fishery producers:

Provided, That an agreement herein refers to any type or form of contract, arrangement, understanding, collective recommendation, or concerted action, whether formal or informal, explicit or tacit, written or oral:

Provided, further, That any person or persons include unincorporated entity or entities, domestic or foreign, including those owned or controlled by the government, engaged directly or indirectly in any economic activity.

The Enforcement Group, on the strength of a LOA issued by the Council, shall have the authority to visit areas where the agricultural and fishery products suspected to be the subject of cartel are located and shall give due notice to the relevant persons, who may be persons suspected of engaging in cartel, to provide justification within twenty-four (24) hours for the unreasonable increase of prices or manipulation of supply or prices of said products, such as cost of acquisition and sales receipts, or documentary proof that stocks are within normal inventory level or final contracts of sale covering existing stocks, whichever is applicable under the circumstances, pending which the products shall be placed in the constructive custody of the Enforcement Group.

In the event that the relevant persons fail to provide justifiable reasons within twenty-four (24) hours for the unreasonable increase of prices or manipulation of supply or prices, the products shall remain in constructive custody and shall be the subject of a criminal action to be filed against the violators.

CHAPTER IV

OTHER PROHIBITED ACTS

SEC. 11. *Financing Agricultural Economic Sabotage Crimes.* - Any person who directly or indirectly, willfully and without lawful excuse, possesses, provides, collects, uses, or makes available property, funds, financial or other related services, or funds the creation of dummy or fictitious entities, with the willful intention that they be used, in full or in part, to carry out or facilitate the commission of any of the crimes of agricultural economic sabotage shall suffer the penalty provided under Section 14(b) of this Act.

SEC. 12. *Use of Government Storage Facilities.* - Cold storage, warehouses, and similar facilities intended for agricultural and fishery products granted by the government to cooperatives and associations shall exclusively be used by their farmers and fisherfolk members. Renting out to or allowing the use in any way by non-members, such as traders and other private businesses, is prohibited and will cause the revocation of the grant. The government shall then immediately repossess the storage facility, and the erring cooperatives and associations shall be perpetually disqualified from being granted storage facilities by the government.

SEC. 13. *Violations of the Enforcement Group.* - It shall be a crime for an employee of a member of the Enforcement Group to commit any of the following acts, which shall be penalized under Section 14(f) of this Act:

- (a) Extortion or willful oppression under color of law;
- (b) Knowingly demanding documents or records that are irrelevant to the case or unjustifiably extending the constructive custody of the goods;
- (c) Failing to report knowledge or information to their superior officer about the commission of an act or acts punishable under this Act;
- (d) Accepting or attempting to collect, directly or indirectly, any sum of money or other thing of value for the compromise adjustment or settlement of any charge or complaint for any violation of this Act; and

(e) Unlawfully disclosing confidential information gained during any investigation or audit, or using such information for personal gain or to the detriment of the government or third parties.

CHAPTER V

PENAL PROVISIONS

SEC. 14. *Penalties.* -

(a) The penalty of life imprisonment and a fine five times the value of the agricultural and fishery products subject of the crime shall be imposed on a person who commits any of the acts enumerated under Sections 7, 8, 9, and 10 of this Act, except Sections 7(g) and (i), which shall be penalized under subparagraphs (c) and (d) of this section.

(b) The penalty of life imprisonment shall be imposed on any violation under Section 11 of this Act.

(c) The penalty of imprisonment of not less than twenty (20) years but not more than thirty (30) years and a fine thrice the value of the agricultural and fishery products subject of the crime shall be imposed on the following:

- (1) The registered owner and its lessee or charterer, in case of lease of a chartered boat or motorized commercial vessel, who transports the agricultural and fishery products subject of the crime;
- (2) The registered owner and its lessee, in case of lease, of trucks, vans, and other means of transportation, who transports agricultural and fishery products subject of the crime;
- (3) The registered owner and lessee of a warehouse, cold storage, facility, or any property, who stores the agricultural and fishery products subject of the crime; or
- (4) The registered owner, lessee, president, or chief executive officer of the private port, fish port, fish landing site, resort, or airport who allows the entry of agricultural and fishery products subject of the crime within their facilities.

(d) The penalty of imprisonment of not less than two (2) years but not more than four (4) years shall be imposed on drivers, warehouse men, truck helpers, clerks, or similar personnel who knowingly participated in the commission of the crime.

(e) Notwithstanding the penalties on government employees in subparagraph (f) of this section, every officer, agent, or employee of any member of the Enforcement Group who shall be found guilty of committing any of the acts described in Section 13 of this Act shall be penalized with imprisonment of not less than six (6) years but not more than twelve (12) years, and perpetual disqualification from holding public office, exercising the right to vote, and participating in any public election, and a fine of not less than Five hundred thousand pesos (P500,000.00) but not more than One million pesos (P1,000,000.00).

All the benefits due from service in the government, including the separation and retirement benefits of the officer, agent, or employee found guilty of the foregoing violations shall likewise be forfeited.

(f) If a government officer or employee commits any of the crimes as economic sabotage, knowingly abets or aids in the commission of the crime, prevents the filing of a case or its prosecution, prevents the actual arrest of the suspect, or commits any of the corrupt practices under Section 3 of Republic Act No. 3019 or the "Anti-Graft and Corrupt Practices Act", for the purpose of facilitating agricultural economic sabotage, the penalty shall be as provided in subparagraph (a) of this section; the additional penalties of perpetual disqualification from holding public office, exercising the right to vote, and participating in any public election; and forfeiture of employment monetary and financial benefits. Direct pecuniary or material benefit is not necessary to prove that a government officer or employee has knowingly aided and abetted the commission of the crime:

Provided, That when the offender is a juridical person, criminal liability shall attach to its president, chief operating officer, manager, or any officer who participated in the decision that led to the commission of the prohibited act:

Provided, further, That the agricultural and fishery products subject of the prohibited acts and the properties used to commit the crime of agricultural economic sabotage such as, but not limited to, vehicles, vessels, aircrafts, storage areas, warehouses, boxes, cases, trunks, and other containers of whatever character used as receptacle of agricultural and fishery products, shall be confiscated in favor of the government, subject to Section 19 of this Act:

Provided, finally, That the penalties imposed under this Act shall be separate from any other penalties incurred under other existing laws.

CHAPTER VI
IMPLEMENTING BODIES

SEC. 15. *Anti-Agricultural Economic Sabotage Council.* - The Anti-Agricultural Economic Sabotage Council, herein referred to as the Council, is hereby created and shall be chaired by the President or the designated permanent representative. It shall have the following members:

- (a) Department of Agriculture (DA);
- (b) Department of Justice (DOJ);
- (c) Department of Finance (DOF);
- (d) Department of the Interior and Local Government (DILG);
- (e) Department of Transportation (DOTr);
- (f) Department of Trade and Industry (DTI);
- (g) Anti-Money Laundering Council (AMLC); and
- (h) Philippine Competition Commission (PCC):

Provided, That the representatives of the member agencies shall at least have the rank of an undersecretary:

Provided, furthermore, That one-third of the members, with the chair or a designated permanent representative present, shall constitute a quorum:

Provided, finally, That members of the Council shall be duly notified at least three (3) days prior to the scheduled meeting.

An Advisory Body is hereby created to provide the Council with expert assistance and advice. The Advisory Body shall have one (1) representative from each of the following agricultural sectors, whose membership shall be nationwide:

- (1) Sugar;
- (2) Rice;
- (3) Corn;
- (4) Livestock and Poultry;
- (5) Vegetables and Fruits;
- (6) Fisheries and other aquatic products; and
- (7) Tobacco;

Provided, further, That the sector representative shall be chosen by the President of the Philippines from a list of three (3) nominees submitted by the sector, and shall serve for a fixed term of three (3) years unless earlier replaced by the President upon recommendation of the sector: *Provided, further*, That the sector representatives must have prior experience or knowledge in pricing or trading agricultural and fishery products: *Provided, further*, That the appointed sectoral representative shall continue to hold office after the expiration of the term until a successor is appointed.

SEC. 16. *Powers and Functions of the Anti-Agricultural Economic Sabotage Council.* – The Council shall have the following powers and functions:

- (a) Ensure the proper and effective implementation of the provisions of this Act;
- (b) Coordinate the preparation of appropriate and effective measures to prevent and suppress the prohibited acts defined in this Act;

(c) Establish a mechanism of information-sharing among concerned agencies: *Provided*, That confidential information shall be retained within the Council to protect and preserve the operational integrity of the Council and its prosecutorial and enforcement bodies;

(d) Establish a comprehensive tracking and tracing system to oversee the value chain of agricultural commodities and collect and report real-time data on production, processing, transportation, storage, sale, import, and export documentation;

(e) Direct the speedy investigation and prosecution of all persons accused or detained for the crimes punishable under this Act, and monitor the progress of their cases;

(f) Coordinate and enlist the assistance of any branch, department, bureau, office, agency, or instrumentality of government, including government-owned and -controlled corporations, and local government units (LGUs), as well as the business sector and nongovernment organizations, in the implementation of this Act;

(g) Deputize other law enforcement agencies to further assist the Enforcement Group;

(h) Through the Executive Committee (EXECCOM), exercise visitation and inspection powers by issuing LOA authorizing any member or a combination of members of the Enforcement Group to verify compliance with this Act and other relevant laws concerning the importation, purchase, storage, and sale of the relevant agricultural and fishery products. The EXECCOM shall be composed of the President or the designated permanent representative to the Council, the DOJ, and the Enforcement Group;

(i) Notwithstanding existing laws to the contrary, authorize, supervise, and direct the visitation and inspection by any member or a combination of members of the Enforcement Group, as established under the Rules of Engagement and pursuant to the regulatory powers of each concerned agency, of areas where agricultural and fishery products covered by this Act are stored or kept;

(j) Formulate the Rules of Engagement of the Enforcement Group, within sixty (60) days from the effectivity of this Act;

(k) Determine and declare the existence of an abnormal situation under Sections 8 and 9 of this Act;

(l) Facilitate international cooperation on intelligence, investigation, training, and capacity-building related to agricultural smuggling prevention, suppression, and prosecution;

(m) Hold in custody and dispose of confiscated, seized, and/or surrendered agricultural and fishery products subject of and properties used in the commission of the crime of economic sabotage;

(n) Grant monetary rewards and other incentives to informers who give vital information leading to the investigation, apprehension, arrest, detention, prosecution, and conviction of persons who are liable for the crimes punishable under this Act. The monetary reward and incentive to informers shall be set at One million pesos (P1,000,000.00) or twenty percent (20%) of the value of the product, whichever is higher, but not to exceed Twenty million pesos (P20,000,000.00);

(o) Establish mechanisms to compensate persons whose agricultural and fishery products and properties have been subject of wrongful or illegal seizure, confiscation, destruction, or disposal. *Provided*, That the compensation shall include the actual value of the agricultural and fishery products and properties at the time of seizure, confiscation, destruction, or disposal, and the earnings lost by reason of wrongful or illegal seizure, confiscation, destruction, or disposal as may be determined by the Court of Tax Appeals;

(p) Create a permanent Secretariat, define its functions, constitute its staff complement, and set their salaries and other emoluments: *Provided*, That majority of the staff shall be selected from the different member agencies of the Council with individual expertise appropriate to the needs of the Council, consistent with civil service laws, rules, and regulations; and

(q) Perform all other powers and functions related to the efficient and effective prevention and suppression of the acts herein prohibited.

SEC. 17. *Special Team of Prosecutors.* – To assist the Council in the expeditious prosecution of criminal cases covered under this Act, the Secretary of the DOJ is hereby mandated to constitute a special team of prosecutors all over the country, which shall have the following powers and duties, among others:

(a) Evaluate evidence gathered and submitted by the Enforcement Group to determine whether any provision of this Act has been violated;

(b) Act on criminal complaints directly filed by persons under Section 21 of this Act, which may be consolidated with similar complaints filed by the Enforcement Group; and

(c) Initiate and conduct preliminary investigation and timely file and prosecute the appropriate criminal charges against the person/s responsible for the crimes of smuggling, hoarding, profiteering, and cartel as economic sabotage and other prohibited acts under this Act.

SEC. 18. *Anti-Agricultural Economic Sabotage Enforcement Group.* – To assist the Council, the Anti-Agricultural Economic Sabotage Enforcement Group, herein referred to as the Enforcement Group, is hereby created. It shall be composed of the following agencies:

(a) National Bureau of Investigation (NBI);

(b) Philippine National Police (PNP);

(c) Philippine Coast Guard (PCG); and

(d) Department of Finance (DOF).

The Enforcement Group, in addition to each agency's existing regulatory powers, shall have the following powers and functions:

(a) Subject to the Rules of Engagement of the Enforcement Group, notify the Council of any visitation or inspection that it will conduct on any establishment and secure the necessary LOA;

(b) Subject to the Rules of Engagement of the Enforcement Group, notify the Council of any court-approved

warrant to search, seize, or arrest for any violation of this Act or existing regulations;

(c) Visit and inspect at any time, vessels, vehicle, aircraft, land, enclosure, warehouses, cold storages, store, building, or structure not principally used as a dwelling house and other storage areas where agricultural and fishery products and properties are stored, kept, or sold, as authorized by the Council through a duly issued LOA, to determine compliance with this Act and other relevant laws relating to the transport, storage, distribution, or sale of said agricultural and fishery products: *Provided*, That when a security personnel or any other employee lives in the warehouse, store or any building, structure, or enclosure that is used for storage of goods, it shall not be considered as a dwelling house for purposes of this Act;

(d) Immediately perform any and all acts pursuant to the implementation of this Act or existing laws and regulations, including, among others, taking into constructive custody agricultural and fishery products;

(e) Render a report to the Council within forty-eight (48) hours from the conduct of a visitation or inspection or service of judicial warrant;

(f) Apply for judicial warrant before the Court of Tax Appeals: *Provided*, That in areas outside Luzon, judicial warrants shall be applied before any regional trial court; and

(g) Effect search, seizure, and arrest warrants and file criminal and administrative cases before the prosecutor and appropriate agencies.

The PNP Chief, and the Secretaries of the DOF and the DOJ may authorize lawyers of their respective agencies or their attached agencies to provide legal assistance to any employee or member of the Enforcement Group who is facing a complaint or charge before the prosecutor's office, the court, or any competent body, arising from an incident related to the performance by the member or employee of his or her official duties under this Act: *Provided*, That government lawyers so authorized shall have the power to administer oaths: *Provided*, *further*, That when necessary, a private counsel may be

provided at the expense of the Government. The Secretaries of the DOF and the DOJ, and the PNP Chief shall jointly promulgate rules and regulations to implement the provisions of this section.

CHAPTER VII

ADMINISTRATIVE AND JUDICIAL PROCEDURES

SEC. 19. *Custody of Confiscated, Seized, or Surrendered Products and Properties in the Agricultural Crimes of Economic Sabotage and Other Prohibited Acts; Destruction of Smuggled Products; Disposition or Donation of Locally Sourced Products.* - The Council shall take charge and custody of all confiscated, seized, or surrendered agricultural and fishery products subject of the crime of economic sabotage and the properties used in the commission thereof, which shall be disposed of in the following manner:

(a) The Enforcement Group, which may be composed of any member or a combination of its members, shall conduct a physical inventory and valuation of the seized items immediately after seizure and confiscation of the agricultural and fishery products and properties used in the commission of the crime and shall take a video recording and/or photograph of the same;

(b) Within twenty-four (24) hours upon confiscation or seizure of the agricultural and fishery products and properties, the same shall be stored in a place to be designated by the Council for the purpose of preserving the evidence and determining the value of agricultural and fishery products and properties that were seized or confiscated, which shall serve as the basis for determining the amount of compensation pursuant to Section 16(o) of this Act: *Provided*, That for evidentiary purposes, a video recording or photograph products of highly perishable products taken in the presence of a representative of the Council shall suffice, after which the destruction of the products subject of the crime of agricultural smuggling or the disposal or donation of products subject of the crimes of hoarding, profiteering, and cartel, as provided in this section, may proceed;

(c) After the filing of the criminal case, the court may, within seventy-two (72) hours, conduct an ocular inspection of the confiscated, seized, or surrendered agricultural and fishery products. Within twenty-four (24) hours thereafter, the Enforcement Group, through a member or combination of its members, shall facilitate the destruction of the products subject of smuggling in the presence of representatives from the media, the DOJ, the agricultural and fisheries sector, and an elected public official. The Council shall draw up the guidelines on the manner of proper destruction of such item/s, the expenses for the destruction of which shall be borne by the offender.

A government officer or employee who violates the mandatory destruction of agricultural and fishery products under this Act shall be held administratively liable; and

(d) Any member of the Enforcement Group in charge of the destruction shall issue a sworn certification as to the fact of destruction of the subject item/s which shall be submitted to the court having jurisdiction over the case.

Provided, That locally sourced agricultural and fishery products subject of the crimes of hoarding, profiteering, and cartel may be donated by the Council to the Department of Social Welfare and Development or LGUs, or disposed of in any manner:

Provided, further, That properties used in the commission of the crimes of agricultural economic sabotage such as, but not limited to, vehicles, vessels, aircrafts, storage areas, warehouses, boxes, cases, trunks, and other containers of whatever character confiscated, seized, or surrendered in favor of the government, may be auctioned off, subject to existing rules and regulations. The proceeds of the auction of the properties shall be deposited in a special account created in the name of the Council to be used as additional funding in the establishment and maintenance of the DPI, the operations of the Enforcement Group, monetary rewards and other incentives to informers, and the compensation of damages arising from wrongful or illegal seizure, confiscation, destruction, or disposal of agricultural and fishery products and properties, among others.

SEC. 20. *Institution and Prosecution of Criminal Proceedings.* - Any criminal action arising from the violation of this Act shall be instituted by any of the following agencies: the NBI, the PNP, the PCG, and the DOF.

Criminal actions and proceedings instituted under this Act shall be brought in the name of the Government of the Philippines and shall be prosecuted and handled by the DOJ with the assistance of the instituting agency. *Provided*, That nothing in this Act shall be construed or interpreted as diminishing the jurisdiction of the implementing agencies under Republic Act No. 10863, Republic Act No. 10667, and Republic Act No. 7581 to conduct inquiry on, investigate, hear, and decide cases involving any violation of the CMTA, the Philippine Competition Act, and the Price Act, and institute the appropriate civil or criminal proceedings.

SEC. 21. *Citizen's Suit.* - Any person may directly file a criminal complaint with the DOJ-Special Team of Prosecutors and/or an administrative complaint with the appropriate government agency. The complaint shall be verified and supported with affidavits and other evidence.

SEC. 22. *Prescription of Offenses.* - The crimes punishable by life imprisonment under this Act shall prescribe in twenty-five (25) years. Other crimes under this Act with lower number of years of imprisonment shall prescribe in accordance with Act No. 3326.

Prescription shall begin to run from the day the violation of the law was committed, and if the same be not known at the time, from the discovery thereof by the offended party, the law enforcement authorities or their agents. The period shall be interrupted by the filing of an information or the institution proceedings against the offender. It shall again run when such proceedings are terminated without the accused being convicted or acquitted, or when such proceedings are unjustifiably stopped through no fault of the accused.

CHAPTER VIII

JURISDICTION

SEC. 23. *Jurisdiction.* – The provisions of existing laws to the contrary notwithstanding, all violations referred to herein shall be under the exclusive jurisdiction of the Court of Tax Appeals, herein referred to as the Court. It may create its offices in the Visayas and Mindanao for this purpose.

CHAPTER IX

FINAL PROVISIONS

SEC. 24. *Transitory Provision.* – All pending criminal complaints or cases filed and/or prosecuted under Republic Act No. 10845 or the “Anti-Agricultural Smuggling Act of 2016” and other laws shall continue to be addressed under the said laws until resolved with finality.

SEC. 25. *Congressional Oversight Committee.* – There is hereby created a Congressional Oversight Committee on Anti-Agricultural Economic Sabotage (COCAAES) composed of seven (7) members from the Senate and seven (7) members from the House of Representatives, with the chairperson of the Senate Committee on Agriculture, Food and Agrarian Reform (CAFAR) and the chairperson of the House of Representatives Committee on Agriculture and Food, as joint chairpersons. The six (6) other members from the Senate shall be composed of three (3) members from CAFAR, two (2) from the Committee on Ways and Means, and one (1) from the minority, while the six (6) members from the House of Representatives shall be composed of three (3) members from the Committee on Agriculture and Food, and three (3) from the Committee on Ways and Means, to be designated respectively by the President of the Senate and the Speaker of the House of Representatives.

The COCAAES shall conduct a mandatory review of the implementation of this Act three (3) years after its effectivity and every three (3) years thereafter.

SEC. 26. *Appropriations.* – The initial amount of Five hundred million pesos (P500,000,000.00) is hereby appropriated under the Office of the President for the implementation of this Act, which shall be allocated as follows:

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(a) Sixty percent (60%) for the Council and the Enforcement Group, which shall include funding for Section 6 of this Act;

(b) Thirty percent (30%) for the Special Team of Prosecutors under Section 17 of this Act; and

(c) Ten percent (10%) for the establishment, strengthening and maintenance of the DPI, under Section 5 of this Act.

Thereafter, such amount necessary to carry out the provisions of this Act shall be appropriated in the annual General Appropriations Act.


SEC. 27. *Reportorial Requirements.* – The Council shall submit a quarterly report to the COCAAES on the progress and accomplishments made in the implementation of this Act.

SEC. 28. *Separability Clause.* – If any portion of this Act is declared unconstitutional or invalid, the portions or provisions which are not affected shall continue to be in full force and effect.

SEC. 29. *Repealing Clause.* – Republic Act No. 10845 is hereby repealed. All laws, decrees, executive issuances, rules, and regulations inconsistent with this Act are hereby repealed and/or modified accordingly.

SEC. 30. *Effectivity.* – This Act is self-executory and shall take effect fifteen (15) days after its publication in the *Official Gazette* or in a newspaper of general circulation, without the need for the issuance of implementing rules and regulations.

Approved,


FERDINAND MARTIN G. ROMUALDEZ
Speaker of the House
of Representatives


FRANCIS “CHIZ” G. ESCUDERO
President of the Senate

Office of the President
MALACANANG RECORDS OFFICE
CERTIFIED COPY
ATY. MARILYN M. ESPINO
ACTING DIRECTOR IV
MDR092324



FERDINAND ROMUALDEZ MARCOS JR.
President of the Philippines



Approved: **SEP 26 2024**

RENATO N. BANTUG JR.
Secretary of the Senate

REGINALD S. VELASCO
*Secretary General
House of Representatives*

This Act, which is a consolidation of Senate Bill No. 2432 and House Bill Nos. 3917 and 9284, was passed by the Senate and the House of Representatives and the House of Representatives on August 6, 2024.

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