

- (c) Key importations;
- (d) Privileges enjoyed;
- (e) Penalties; and
- (f) Risk category (ies)."

SEC. 13. Part 3, Title VII of the Tariff and Customs Code of the Philippines, as amended, shall be renamed as "PROVISIONS ON PENALTIES".

SEC. 14. Section 3604 of Part 3, Title VII of the Tariff and Customs Code of the Philippines, as amended, is hereby further amended to read as follows:

"SEC. 3604. *Statutory Offenses of Officials and Employees.* – Every official, agent or employee of the Bureau or of any other agency of the government charged with the enforcement of the provisions of this Code, who is guilty of any delinquency herein below indicated shall be punished with a fine of not less than Five thousand pesos nor more than Fifty thousand pesos and imprisonment for not less than one year nor more than ten years and perpetual disqualification to hold public office, to vote and to participate in any public election:

- (a) Those guilty of extortion or willful oppression under color of law;
- (b) Those who knowingly demand other or greater sums than are authorized by law or receive any fee, compensation, or reward except as by law prescribed, for the performance of any duty;
- (c) Those who willfully neglect to give receipts, as required by law for any sum collection in the performance of duty, or who willfully neglect to perform any of the duties enjoined by law;
- (d) Those who conspire or collude with another or others to defraud the customs revenue or otherwise violate the law;
- (e) Those who willfully make opportunity for any person to defraud the customs revenue or who do or fail to do any act with intent to enable any person to defraud said revenue;
- (f) Those who negligently or designedly permit the violation of the law by any other person;

(g) Those who make or sign any false entry or entries in any book, or make or sign any false certificate or return in any case where the law requires the making by them of such entry, certificate or return;

(h) Those who, having knowledge or information of a violation of the Tariff and Customs Law or any fraud committed on the revenue collectible by the Bureau, fail to report such knowledge or information to their superior official or to report as otherwise required by law;

(i) Those who, without the authority of law, demand or accept or attempt to collect directly or indirectly as payment of otherwise, any sum of money or other thing of value for the compromise, adjustment, or settlement of any charge or complaint for any violation or alleged violation of law; or

(j) Those who, without authority of law, disclose confidential information gained during any investigation or audit, or use such information for personal gain or to the detriment of the government, the Bureau or third parties."

SEC. 15. A new section to be known as Section 3610 is hereby inserted in Part 3, Title VII of the Tariff and Customs Code of the Philippines, as amended, which shall read as follows:

"SEC. 3610. *Failure to Keep Importation Records and Give Full Access to Customs Officers.* – Any person who fails to keep all the records of importations and/or books of accounts, business and computer systems and all customs commercial data in the manner prescribed in Part 2, Section 3514 of this Title shall be punished with a fine of not less than One hundred thousand pesos (P100,000.00) but not more than Two hundred thousand pesos (P200,000.00) and/or imprisonment of not less than two (2) years and one day but not more than six (6) years. This penalty shall likewise be imposed against importers/brokers who deny an authorized customs officer full and free access to such records, books of accounts, business and computer systems, and all customs commercial data including payment records. This is without prejudice to the administrative sanctions that the Bureau of Customs may impose against the contumacious importers under existing laws and regulations including the authority to hold delivery or release of their imported articles."

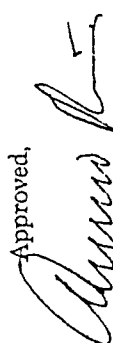
(b) Section 3610 of Part 3, Title VII ("Violations of Tariff and Customs Laws and Regulations in General") is renumbered as Section 3612.


SEC. 18. *Rules and Regulations.* - The Secretary of Finance shall, upon the recommendation of the Commissioner of Customs, promulgate the necessary rules and regulations for the effective implementation of this Act.

SEC. 19. *Repealing Clause.* - All laws, decrees, executive orders, rules and regulations and other issuances or parts thereof which are inconsistent with this Act are hereby repealed or modified accordingly.


SEC. 20. *Effectivity.* - This Act shall take effect fifteen (15) days after its publication in the *Official Gazette* or in any two (2) newspapers of general circulation, whichever date comes earlier.

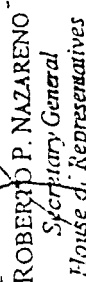
Approved,


AQUILINO Q. PIMENTEL JR.
President of the Senate



FELICIANO BELMONTE JR.
Speaker of the House
of Representatives

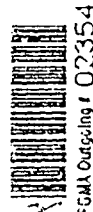
This Act is a consolidation of House Bill No. 8623 and Senate Bill No. 2196 was finally passed by the House of Representatives and the Senate on February 7, 2001 and February 8, 2001, respectively.


LUTIGARDO B. BARBO
Secretary of the Senate


ROBERTO P. NAZARENO
Secretary General
House of Representatives

Approved: APR 27 2001


GLORIA MACAPAGAL-ARROYO
President of the Philippines



SEC. 16. A new section to be known as Section 3611 is hereby inserted in Part 3, Title VII of the Tariff and Customs Code of the Philippines, as amended, which shall read as follows:

"SEC. 3611. *Failure to Pay Correct Duties and Taxes on Imported Goods.* - Any person who, after being subjected to post-entry audit and examination as provided in Section 3515 of Part 2, Title VII hereof, is found to have incurred deficiencies in duties and taxes paid for imported goods, shall be penalized according to three (3) degrees of culpability subject to any mitigating, aggravating or extraordinary factors that are clearly established by the available evidence:

(a) Negligence - When a deficiency results from an offender's failure, through an act or acts of omission or commission, to exercise reasonable care and competence to ensure that a statement made is correct, it shall be determined to be negligent and punishable by a fine equivalent to not less than one-half (1/2) but not more than two (2) times the revenue loss.

(b) Gross Negligence - When a deficiency results from an act or acts of omission or commission done with actual knowledge or wanton disregard for the relevant facts and with indifference to or disregard for the offender's obligation under the statute, it shall be determined to be grossly negligent and punishable by a fine equivalent to not less than two and a half (2 ½) but not more than four (4) times the revenue loss.

(c) Fraud - When the material false statement or act in connection with the transaction was committed or omitted knowingly, voluntarily and intentionally, as established by clear and convincing evidence, it shall be determined to be fraudulent and be punishable by a fine equivalent to not less than five (5) times but not more than eight (8) times the revenue loss and imprisonment of not less than two (2) years but not more than eight (8) years.

The decision of the Commissioner of Customs, upon proper hearing, to impose penalties as prescribed in this Section may be appealed in accordance with Section 2402 hereof."

SEC. 17. The following provisions of the Tariff and Customs Code of the Philippines, as amended, are renumbered as follows:

(a) Section 3514 of Part 3, Title VII ("Words and Phrases Defined") is renumbered as Section 3519; and

