

Resolution adopted by the General Assembly
during the November 19, 2010 Anti-Smuggling Summit

WHEREAS, records of the International Monetary Fund (IMF), show that total exportation to the Philippines from 2002 to 2007 amounted to US\$284.70 Billion while the Bureau of Customs' (BOC) import records only showed US\$195.01 Billion or a disparity of US\$89.69 Billion. Therefore, the average annual disparity is US\$14.95 Billion or the equivalent of PhP747.50 Billion at the prevailing rate of PhP50 per US\$1 to PhP50. Applying twelve (12%) percent VAT and an average duty of five (5%) percent will result to a total revenue loss of PhP127.075 Billion per annum.

WHEREAS, recent data from the UN Commodity Trade Database (COMTRADE) which contains import and export statistics for all reporting countries also shows that US\$ 14 Billion is the total under-reported import VALUE for 2009 of the top 24 countries exporting to the Philippines.

WHEREAS, there is an urgent need for all stakeholders to band together and fight smuggling in order to strengthen the Philippine Industry & Agriculture, to save Jobs and Create Employment, and, to protect the Philippine Economy.

NOW, THEREFORE, RESOLVED, AS IT IS HEREBY RESOLVED, that the following measures be immediately implemented to curtail smuggling, thus:

- 1. The Bureau of Customs (BOC) should exercise its right of Compulsory Acquisition to buy grossly undervalued importations;**
 - a. To deprive unscrupulous importers of illegal gains,
 - b. To benefit the government with profits arising from the sale of these goods at market prices, and
 - c. To protect the local manufacturers from unfair competition.

- 2. The Bureau of Customs (BOC) should publish in its website updated reference values for every description and tariff heading as required by the Tariff and Customs Code;**
 - a. To guide the BOC as well as importers in all ports of entry regarding the value range of all articles being imported,
 - b. To protect legitimate importers from unreasonable assessment of their importations, and
 - c. To uncover gross undervaluations of importations, and
 - d. To encourage frequent consultations between the BOC and the private sector regarding the current values of various goods based on published and current market information.

3. **Until there are uniform valuations at every port, all importers should be required to use ports that are nearest their place of business domicile except when serving customers located near the ports which they intend to use. In the latter case, clearance from the BOC Commissioner must be obtained, to avoid “forum shopping” by importers.**
4. **Enable the BOC to broaden and expand its post entry audit capability by allowing it to contract qualified private auditing firms to undertake such audits subject to compensation based on positive findings. This will allow quick releases of importations and declog the piers, while remedying the present limitations of the BOC to audit only 1 to 3% of all importations.**
5. **Designate Special Courts, similar to those handling drug cases, that will hear all smuggling cases who will be trained to handle smuggling cases competently and decisively.**
6. **Seized goods should be fully destroyed except for agricultural and food products fit for human consumption which are donated for charity. This is to disallow auctions subject to irregularities which result in the release of undervalued or substandard goods detrimental to the public and unfair to the local manufacturers.**
7. **The “Voluntary Disclosure Program” must be allowed an importer within a limited period after every import entry and *only before* an Audit Notification Letter (ANL) is issued to him. This is to encourage compliance with the Tariff and Customs Code, the proper collection of duties and taxes, as well as reducing opportunities for harassment of importers.**
8. **Certify as Urgent the passage of the Anti-Smuggling Bill because it plugs the loopholes in the Tariff and Customs Code that smugglers tend to use.**
9. **Establish a Public/Private Sector Partnership (PPP) Anti-Smuggling Oversight Committee to oversee the government’s Anti-Smuggling drive including the implementation of the foregoing resolutions. Past PPP efforts with a Cabinet rank officer heading this can help to implement the necessary measures quickly and effectively.**

DONE at Hotel InterContinental, Makati City on the 19th day of November 2010.