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REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

MACONDRAY & COMPANY, INC.,
in its capacity as agent of
the MS "TARANTEL",
Petitioner,

- versus - C.T.A. CASE NO. 2484

COMMISSIONER OF CUSTOMS,
Respondent.

1/19/76

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D E C I S I O N

Petitioner has appealed from the decision of respondent Commissioner of Customs dated January 9, 1973, affirming that of the Collector of Customs of Manila in Customs Case No. 72-24, imposing a fine of ₱1,000.00 on the vessel MS "TARANTEL" and/or its ship agent for violation of Section 1005, in relation to Section 2521, of the Tariff and Customs Code.

On September 2, 1966, the vessel MS "TARANTEL" arrived at the port of Manila, conveying, among others, a manifested cargo of one (1) crate truck parts which it failed to unload and discharge thereat. On October 2, 1966, the same vessel called again at the same port. The same cargo was brought and discharged from the same vessel but this time the same cargo was not listed in the inward cargo manifest. Thereafter, the ship agent, Macondray & Co.

Inc., filed an amended manifest by including therein one (1) crate truck parts. The same was accepted and approved by the Bureau of Customs without prejudice to the filing of an administrative action against the vessel. On July 17, 1972, after the termination of the administrative investigation, the Collector of Customs, Port of Manila, rendered a decision holding the vessel MS "TARANTEL" and/or its ship agent solidarily liable for a fine of ₱1,000.00 for violation of Section 1005, in relation to Section 2521, of the Tariff and Customs Code. On January 9, 1973, the Commissioner of Customs, affirmed the said decision. Hence, this appeal.

The only issue submitted to the Tax Court for resolution is whether or not the vessel MS "TARANTEL" and/or petitioner herein is liable for violation of carrying unmanifested cargo.

Section 1005, in relation to Section 2521, of the Tariff and Customs Code, provides, among others, as follows:

> Sec. 1005. Manifest Required of Vessel from Foreign Port.- Every vessel from a foreign port must have on board a complete manifest of all her cargo.
>
> All of the cargo intended to be landed at a port in the Philippines must be described in separate manifests for each port

of call therein. x x x.

> A cargo manifest shall in no case be changed or altered after entry of the vessel, except by means of an amendment by the master, consignee or agent thereof, under oath, and attached to the original manifest; x x x.
>
> Section 2521. Failure to Supply Requisite Manifests.- If any vessel or aircraft enters or departs from a port of entry without submitting the proper manifests to the customs authorities, or shall enter or depart conveying unmanifested cargo other than as stated in the next preceeding section hereof, such vessel or aircraft shall be fined in a sum not exceeding ten thousand pesos.

Petitioner contends that it did not violate Section 1005 of the Tariff and Customs Code, supra because the unmanifested cargo of the same vessel was already covered and included in the cargo manifest on the first voyage. It is further contended arguendo that the omission or error, even if it existed, was committed in good faith and an amended manifest was accepted and approved by the Bureau of Customs, thereby exempting the vessel from any penal liability.

Petitioner's contention is untenable. Although the cargo was manifested during the vessel's first voyage, the fact remains that it did not discharge said cargo on that particular voyage; and it failed to have the cargo manifested on its second voyage. In the circumstances, it is an indispensable legal requirement that every time a vessel arrived in the Philippines from a foreign port, it must have a complete manifest of all its cargo which are intended to be unloaded and discharged at our local ports of entry. Thus, it was held:

> Under Section 1005 of the Tariff and Customs Code, it is an imperative obligation of every vessel from a foreign port to have on board a complete manifest of all her cargo. No exception is mentioned in the statute. Neither is there mention of any exception in Section 2521 of said Code providing for a fine for vessels without proper manifests, nor in Section 2530 thereof providing for the confiscation of unmanifested goods. The recognition by the Court of any attempt to read into the statute any exception, such as misshipment of goods, would be contrary to the pervasive spirit as well as the clear language of the aforesaid provisions. (Smith Bell & Co., (Phil.) Inc. vs. Comm. of Customs, C.T.A. Cases Nos. 1728 & 1921, July 22, 1969; Macondray & Co., Inc. vs. Comm. of Customs, C.T.A. Case No. 2067, Oct. 6, 1972).

Petitioner's defense of good faith and the acceptance and approval by the Bureau of Customs of an amendment to the manifest had invariably been rejected by the Tax Court in previous cases involving the same controversial issue. (Macondray & Co., Inc. vs. Comm. of Customs, CT.A. Case No. 2082, Sept. 17, 1974; Macondray & Co. Inc. vs.

Comm. of Customs, C.T.A. CASE NO. 2203, June 15, 1973; Macondray & Co., Inc. vs. Comm. of Customs, C.T.A. Case No. 1992, April 4, 1973.) We find no valid justification to deviate from our ruling in those cases.

WHEREFORE, the decision of the respondent Commissioner of Customs appealed from is hereby affirmed. Petitioner is, therefore, ordered to pay the Bureau of Customs the fine of P1,000.00. With costs against petitioner.

SO ORDERED.

Quezon City, January 19, 1976.

ESTANISLAO R. ALVAREZ
Associate Judge

WE CONCUR:

ROMAN M. UMALI
Presiding Judge

RAMON L. AVANCEÑA
Associate Judge
(Did not take part)