

REPUBLIC OF THE PHILIPPINES  
COURT OF TAX APPEALS  
QUEZON CITY

SEA-LAND SERVICE, INC.,  
Petitioner,

- versus -

C.T.A. CASE NO. 3583

COMMISSIONER OF CUSTOMS,  
Respondent.

x - - - - - x

9/14/84

D E C I S I O N

The petitioner, Sea-Land Service, Inc., shipping agent of ocean going vessels S/S "MOBILE V-300" and S/S "GATEWAY CITY V-694" involved in the conveyance and discharge of unmanifested cargo at the Port of Manila adjudged violative of the Customs' laws and accordingly meted the corresponding administrative fines, sought appropriate relief in this petition filed on February 19, 1983.

Briefly described:

1) Administrative Case No. 10268/78 - S/S "Mobile" V-300, Registry No. 1431 arrived at the Port of Manila on July 2, 1978 from Keelung, Taiwan and discharged Forty Two (42) cartons tennis rackets with cover without the proper and accurate inward shipping manifest. As amended the manifest appeared as follows:

| <u>PACKAGE MANIFESTED</u>                                        | <u>SHOULD BE MANIFESTED</u>                                             |
|------------------------------------------------------------------|-------------------------------------------------------------------------|
| 40 ctns. tennis rackets<br>with cover<br>(Forty (40) ctns. only) | 42 ctns. tennis rackets<br>with cover<br>(Forty two (42) ctns.<br>only) |

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2) Administrative Case No. V-10269/78 - S/S "Gateway City" V-694, Registry No. 893 arrived at the Port of Manila on May 25, 1978 from Oakland, California, U.S.A. and discharged unmanifested cargo consisting of three (3) containers STC packages of auto/truck parts for assembly weighing 2,886 kilograms which appeared as follows:

| <u>AS MANIFESTED</u> | <u>SHOULD BE MANIFESTED</u>                                                         |
|----------------------|-------------------------------------------------------------------------------------|
| Not manifested       | 3 containers STC<br>7 packages auto/truck<br>parts for assembly (CKD)<br>2,886 kgs. |

The said amendments were approved by the Bureau of Customs with the notation "Without prejudice to administrative action against the vessel".

The cases were jointly heard and a decision was rendered by the Collector of Customs (Port of Manila) on July 22, 1980 imposing a P30,000.00 fine on each for violation of Section 1005 in relation to Section 2521 of the Tariff and Customs Code, as amended, hereunder quoted insofar as pertinent. The respondent Commissioner of Customs affirmed the same on August 31, 1982.

"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. Each manifest shall included the port of departure and the port of delivery with the marks, numbers, quantity and description of the packages and names of the consignees thereof. x x x "

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"SEC. 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 preceding section hereof, such vessel or aircraft shall be fined in a sum not less than ten thousand (P10,000.00) pesos but not exceeding thirty thousand (P30,000.00) pesos. x x x "

The basic question is nothing more than the effective application and enforcement of the pertinent provisions of the Customs laws as brought to bear upon the circumstances of the case before Us.

By and large, petitioner apparently would have no part over the shippers' faux pas, of either "shortshipment" or "computer error" in the declared inward foreign manifest, rather have its own justification nestled on 1) "good faith and lack of fraudulent intent"; 2) "has not heretofore been guilty of a like anomaly"; and 3) "acted promptly in amending its manifests".

Anent the good faith raised in the first, it may be necessary to repeat what this Court said in the case of Sea-Land Service, Inc. v. Commissioner of Customs, CTA Case No. 3529, February 29, 1984 involving the herein petitioner and what so plainly apply to the case at bar that, "Petitioner's proffered good faith and disclaimer to any knowledge of the undeclared items in the containerized cargo can no longer be a prospect that can easily be reconciled with the intended imperative. Conveyed and discharged were unmanifested cargoes falling sharply

at odds with the caveat essentially addressed and directly brought to bear upon the carriers, requiring a manifest of a true and accurate description of all the cargo. And, 'doing business in the Philippines, it behooves the master or owner of a vessel to abide by our customs laws and regulations and to ignore them is nothing short of carelessness and incompetence.' (Delgado Shipping Agencies, Inc. v. Commissioner of Customs, CTA Case No. 2685, February 15, 1977, Certiorari denied, G.R.L-46262, July 6, 1977; cited in Commissioner of Customs v. CTA, 91 SCRA 263). In a ruling of similar import this Court said 'We can do no less but hold the herein petitioner accountable for such deviation from the peremptory demands of the law, the proffered good faith as an encapsulating panacea in bashing the delinquency notwithstanding. This specie of irregularity was not propitious then, it cannot, now. (Delgado Shipping Agency Inc. v. Commissioner of Customs, CTA Case No. 3089, December 28, 1981)."

The second hardly presents a gripping question. The cited Sea-Land Service, Inc., case of closely analogous facts and issues of the mold no different from the instant case had herein petitioner repeating the same egregious blunder. We reach the same ruling, thus, "What we have in the case at bar are virtual Pandora's box of incriminating shipments the importation of which was found in positive breach of the governing statutory



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proscriptions. Indeed, there can be no further occasion to speculate upon how the peremptory demand that 'Every vessel from a foreign port must have on board a complete manifest of all her cargo' (Section 1005, supra), which far from showing any mere resemblance of an illusion, should be enforced. As 'The mandate of the law is clear and we cannot settle for less. The law imposes the absolute obligation, under penalty for failure, upon every vessel from a foreign port to have on 'board complete written or typewritten manifests of all her cargo signed by the master'. Where the law requires a manifest to be kept or delivered, it is not complied with unless the manifest is true and accurate' (U.S. v. SS *Islas Filipinas*, 28 Phil. 291; cited in *Macondray & Co., Inc. v. Acting Commissioner of Customs*, 62 SCRA 432). Upon the records before Us there is nothing to take the case out of the operative effects of the cited codal provisions as understood and applied."

Third, the rectification of the manifest by amendment could but be a sort of an anacoluthon for a venture petitioner was unprepared, so to speak. "The statute makes no distinction nor does it establish an exception as regards the vessel's failure to supply the requisite manifest. Subsequent amendment adds no insulating relief for 'even granting *arguendo*, that the amendment was approved and therefore valid it does not

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in anyway relieve the vessel from the liability which she already incurred prior to the amendment. (Macondray & Co., Inc., v. Acting Commissioner of Customs, 62 SCRA 534; Commissioner of Customs v. C.T.A., 91 SCRA 264; cited in Sea-Land Service, Inc. v. Commissioner of Customs, C.T.A. Case No. 3529, February 29, 1984)". We do not think any different conclusion ought be reached in the case at bar.

FOR ALL THE FOREGOING, the circumstances obtaining compel Us to sustain the respondent Commissioner of Customs' decision. The caveats are valid and explicit enough and are not meant to be considered passe', as thus, the petition is hereby dismissed with costs against the petitioner.

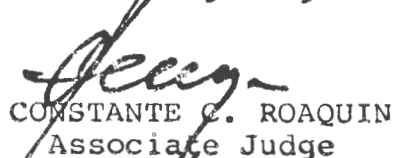
SO ORDERED.

Quezon City, Metro Manila, September 14, 1984.

  
ALEX L. REYES  
Associate Judge

WE CONCUR:

  
AMANTE FILLER  
Presiding Judge

  
CONSTANTE C. ROAQUIN  
Associate Judge