REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

Dec 16/68

SOUTHERN MANUFACTURERS, INC.,
Petitioner,

- versus -

C.T.A. CASE NO. 1586

ACTING COMMISSIONER OF CUSTOMS,
Respondent.

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D E C I S I O N

This is an appeal from the decision of respondent in Customs Case No. 556, Seizure Identification No. 3226, dated November 9, 1962 (Annex A), ordering petitioner and its surety, Pioneer Insurance and Surety Corporation, to pay jointly and severally, the sum of ₱500.00.

This case was submitted for decision based on the pleadings and stipulation of facts submitted by the parties.

The stipulated facts are as follows:

> 1. That the petitioner is a corporation duly organized under the laws of the Republic of the Philippines, with principal office in Grace Park, Caloocan City; while the respondent is the Acting Commissioner of Customs, with offices at the Bureau of Customs, Manila;
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> 2. That the petitioner imported into the Philippines seven (7) cartons of merchandise under Registry No. 640, and declared under Entry No. 49124, Series of 1955;
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> 3. That the above shipment was covered by corresponding Bills of Lading, Consular Invoices and Commercial Invoices, and all the estimated duties, taxes and other similar charges have been paid by the

petitioner under official receipts;

4. That the above-mentioned shipment was subject of Seizure Identification Proceedings No. 3226, Customs Case No. 556, by the respondent and/or its duly authorized representative, allegedly because it was imported in violation of Central Bank Circular Nos. 44 and 45 in relation to Sec. 1363 (f) and also Section 1250 of the Revised Administrative Code;

5. That the said merchandise was however, released to the petitioner under bond, pending decision of the Collector of Customs in the said forfeiture proceedings;

6. That in his decision dated November 9, 1962, a copy of which was received by counsel on November 27, 1962, affirming the decision of the Acting Collector of Customs dated April 6, 1961, the respondent decided the above-mentioned Seizure Identification Proceedings No. 3226 adversely against the petit petitioner and ordered the latter as well as its surety, the Pioneer Insurance and Surety Corporation, to jointly and severally pay in cash to the Bureau of Customs within fifteen (15) days from the receipt of the said decision, the full amount of the bond filed in said proceedings, which is the sum of ₱500.00;

7. That the petitioner filed a motion asking for the reconsideration of said decision, but the same was denied by respondent for lack of merit.

The only issue raised in the present appeal is whether or not the shipment in question is subject to forfeiture for violation of Central Bank Circulars Nos. 44 and 85, in relation to

Sections 1363(f) and 1250 of the Revised Administrative Code.

The forfeiture of goods imported in violation of Central Bank Circulars Nos. 44 and 45 has been sustained by the Supreme Court in cases too numerous to mention. Thus, in the case of Serree Investment Company vs. Commissioner of Customs, G. R. Nos. L-20847 and L-20849, June 22, 1965[1] which involved the same issue, it was held:

> "This argument is devoid of merit considering that it has already been settled by this Court in a long line of decisions that the Central Bank has authority under its charter to issue Circulars Nos. 44 and 45. Thus, in the latest case decided by this Court which involves the same parties and the same issue, this Court said:
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> > 'The objections of the petitioner, in his assignment of errors, against the validity of Circulars Nos. 44 and 45 of the Central Bank and the authority of the Commissioner of Customs to forfeit the merchandise in question were disposed of in similar case involving the same petitioner herein. In Commissioner of Customs vs. Serree Investment Company, L-12007, 16 May 1960, this Court, citing the case of Pascual vs. Commissioner of Customs, L-10797, 30 June 1959, stated:

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[1]See also Estanislao M. Leuterio vs. Commissioner of Customs, G. R. No. L-21800, June 22, 1968, and cases cited therein.

> 'x x x Even granting that the importations in question do not require an immediate sale of foreign exchange, their importation into the Philippines from another country will ultimately require the sale of such exchange. The currency of one country is not legal tender in another. To pay for imports, traders have to avail themselves of foreign exchange, which is the conversion of an amount of money or currency of one country into an equivalent amount of money or currency of another. Every import of goods or merchandise requires an immediate or future demand for foreign exchange.'"

THEREFORE, finding no error in the decision appealed from, the same is hereby AFFIRMED, with costs against petitioner.

SO ORDERED.

Quezon City, December 16, 1968.

ROMAN M. UMALI
Presiding Judge

WE CONCUR:

ESTANISLAO R. ALVAREZ
Associate Judge

RAMON L. AVANCEÑA
Associate Judge