Lib.

REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

AMERICAN PRESIDENT LINES, LTD.,
Petitioner,

- versus - CTA CASE NO. 2721

COMMISSIONER OF CUSTOMS,
Respondent.

5/31/78

x - - - - - - - - - - - - - - - - x

D E C I S I O N

Petitioner American President Lines, Ltd., has appealed from the decision of respondent Commissioner of Customs dated June 26, 1975, imposing upon the vessel S/S "Philippine Madison"/"Philippine Mail" and/or its agent a fine of P1,000.00 for alleged violation of section 1005 in relation to Section 2521 of the Tariff and Customs Code of the Philippines, as amended.

On June 9, 1974, the vessel S/S "Philippine Madison"/"Philippine Mail" arrived at the Port of Manila conveying sixty-nine (69) rolls of Nylon Tire Cord as stated in the bill of lading No. 6008, although her inward cargo manifest listed only fifty-six (56) rolls. In order to correct the discrepancy, the shipper filed an amendment to the manifest which arrived in the Philippines on June 15, 1974. On November 22, 1974, after an administrative proceeding was conducted, the Collector of Customs rendered a decision holding the vessel S/S "Philippine Madison"/ "Philippine Mail" and/or its agent, petitioner herein, liable for a fine of ₱1,000.00 for violation of Section 1005, in relation to Section 2521 of the Tariff and Customs Code of the Philippines, as amended, which provides as follows:

> Sec. 1005. <u>Manifest Required of Vessels From Foreign Port.</u>- 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 amendment by the master, consignee or agent thereof, under oath, and attached to the original manifest; x x x x
>
> Sec. 2521. <u>Failure to Supply Requisite Manifest.</u>- If any vessel or aircraft enters or departs from a port of entry without submitting the proper manifest 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 exceeding ten thousand pesos.

On appeal to the Commissioner of Customs, the latter affirmed the Collector's decision.

The only issue for determination is whether or not the administrative fine imposed against the vessel SS "Philippine Madison"/"Philippine Mail" and/or its agent, petitioner American President Lines, Ltd., is in accordance with law.

Petitioner American President Lines, Ltd. contended that the imposition of the fine is illegal because the master of the vessel in the preparation of the inward cargo manifest relied solely on the original bill of lading. The house-to-house vans said to contain fifty-six (56) rolls of nylon tire cord were properly sealed and could have been opened only in the presence of customs examiners. Furthermore, an amendment which was made by the shipper of the articles in question arrived in the Philippines only on June 15, 1974 or after the master of the vessel had accomplished the necessary manifest and has discharged the said goods.

The issue is not new. In previous cases involving similar or identical issues, the legality of the fine imposed by the Commissioner of Customs for failure of the vessel to have a complete manifest of all her cargo, has been upheld and at the same time rejecting such defense as good faith. (See Macondray & Co., Inc. vs. Commissioner of Customs, CTA Case No. 2203, June 15, 1973, Macondray & Co., Inc. vs. Commissioner of Customs, CTA Case No. 1992, April 4, 1973; Macondray & Co. Inc. vs. Commissioner of Customs, CTA Case 2082, Sept. 17, 1974; Compañia General de Tabaccos de Filipinas vs. Commissioner of Customs, CTA 2144, Jan. 5, 1976; Macondray & Co., Inc. vs. Commissioner of Customs, CTA Case No. 2484, January 19, 1976). We find no valid justification to deviate from our ruling in those cases.

We note, however, as explained before this Court during the hearing of this case, that under the generally accepted practice of containerized shipments which is sanctioned by our Government, and which include "house to house" or "shippers load and count" basis, shipments are placed in vans which are loaded by the shipper in its own premises usually in the absence of representatives of the vessel, counted and sealed by the shipper, and then delivered to the carrier with a bill of lading stating the contents of the vans. Upon arrival in the port of destination, the vans are picked up by the consignee and taken to its warehouse or premises, and there opened in the presence of customs authorities usually in the absence of representatives of the vessel. Under this present practice of containerized shipments, it can hardly be said therefore that the master of the vessel is negligent in the preparation of the manifest. Nevertheless, no exception is made in the statute, and the recognition of any attempt to read an exception into the law could hardly fail to defeat the purpose of the enactment. It cannot be doubted that the intention of the legislator was to provide for the imposition of the prescribed penalty, whether such omissions occurred with or without the knowledge of the owner or the officers of the vessel. (See, U.S. vs. The Steamship "Rubi", 32 Phil. 228.)
gainst this backdrop, we deem it just and reasonable to
e the amount of the fine imposed by the respondent

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Commissioner of Customs to ₱500.00.

WHEREFORE, the decision appealed from is hereby modified, and petitioner is ordered to pay the Bureau of Customs the fine of ₱500.00 within thirty (30) days from the date this decision becomes final. With costs.

SO ORDERED.

Quezon City, May 31, 1978.

CONSTANTE C. ROAQUIN
Associate Judge

I CONCUR:

Amante Filler
AMANTE FILLER
Acting Presiding Judge