REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
MANILA

FORUM TRADING & Co.
Petitioner,

-versus- C.T.A. CASE No. 767

COMMISSIONER OF CUSTOMS,
Respondent.
x- - - - - - - - - - - - - -x

D E C I S I O N

This case involves an importation of 534 bales of overissue newspapers by petitioner on a "no-dollar" remittance basis, which was declared forfeited in favor of the government by the Manila Collector of Customs for violation of Central Bank Circulars Nos. 44 and 45 in relation to Section 1363(f) of the Revised Administrative Code. As the shipment was previously released upon the filing of a surety bond, petitioner, together with Paramount Surety & Insurance Co., were ordered to pay in cash, jointly and severally, the sum of ₱6,720.18. The decree of forfeiture was affirmed by the Commissioner of Customs. Hence this appeal.

The appeal was submitted for decision before this Court on the basis of the following stipulation of facts:

> "That the Monetary Board which exercises the powers and functions of the Central Bank of the Philippines promulgated on June 12 and June 25, 1952, respectively, Circular Nos. 44 and 45;

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"That the petitioner by virtue of a no-dollar remittance of ICC License No. 7668, dated March 26, 1952, was able to bring into the Philippines 534 bundles of overissue newspapers, as raw materials for the manufacture of paperboard;

"That the petitioner has never been engaged in the manufacture of paper board, but has sold to local manufacturers its previous importations of overissue newspapers, and has accordingly deposited the proceeds realized therefrom with the Equitable Banking Corporation, in a special account credited to the name of the Worldwide Trading Company;

"That the validity of the said ICC License No. 7668 expired on September 26, 1953. However, prior to its expiry date, the petitioner on September 7, 1953, filed a request for extension thereof with the Central Bank thru the Equitable Banking Corporation, but such request was not granted;

"That the subject 534 bundles of overissue newspapers left the port of origin on October 30, 1953, and arrived at Manila on December 27, 1953;

"That the notice of the action of the Central Bank on the request of petitioner for extension of the ICC License No. 7668 was only released on February 1, 1954;

"That the request of the petitioner filed with the Central Bank for the issuance of a release certificate of the goods in question which were already in port was also denied; and

"That in view of the foregoing circumstances, the Bureau of Customs,

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> for alleged violation of Central Bank Circular Nos. 44 and 45 in relation to Section No. 1363(f) of the Revised Administrative Code, seized the 534 bundles of overissue newspapers, under Seizure Identification No. 1333."
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> "That petitioner as principal, with the Paramount Surety and Insurance Company as surety, filed jointly and severally, in consideration for the release of the seized merchandise, a PSIC Bond in the total amount of Six Thousand Seven Hundred Twenty Pesos (₱6,720.00), which bond is introduced and marked as Exh. 1 for respondents; and
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> "That the petitioner and the Paramount Surety and Insurance Company were duly served with copies of the decision of the Collector of Customs and the decision of the Commissioner affirming the same."

The only question for determination is whether or not the Central Bank of the Philippines has the power to issue Circulars Nos. 44 and 45 as measures to regulate imports which do not involve the sale of foreign exchange.

This question is not new. The rule in this jurisdiction is well settled that the Central Bank has authority to regulate importations which do not involve the sale of foreign exchange; that Circulars Nos. 44 and 45 have been validly promulgated; and that goods imported in violation of said circulars are subject to seizure and forfeiture (Com. of Customs v. Nepomuceno, G.R. No. L-11126, March 31, 1962; Com. of Customs v. Santos, G.R. No. L-11911, March 30, 1962; Acting Com. of Customs v. Estanislao Leuterio, G.R. No. L-9142, Oct. 17, 1959; Francisco Pascual v. Com. of Customs, G.R. No. L-10979, June 30, 1959).

Petitioner's contention that the importation was made on the basis of a valid and subsisting import control license is without merit because, even before it left the port of origin, said import license had already expired. The fact that petitioner requested for an extension of the same, which was denied by the Central Bank, does not in any way detract from the fact that the subject importation was not covered by either a valid and subsisting import control license or a release certificate from the Central Bank. Petitioner has no right to presume the grant of such extension.

Relative to respondent's claim for payment of additional damages amounting to ₱500.00, it may be stated that there is as yet no final judgment of forfeiture. Consequently, there is as yet no liability on the part of the petitioner for said damages (Bombay Dept. Store vs. Com. of Customs, CTA Case No. 788, Aug. 1, 1962; Lazatin vs. Com. of Customs, CTA Case No. 782, Jan. 19, 1962; Que Hua Shirt Factory vs. Com. of Customs, CTA Cases Nos. 739 and 753, Jan. 11, 1962).

WHEREFORE, the decision appealed from is hereby affirmed with costs against petitioner.

SO ORDERED.

Manila, November 21, 1962 .

MARIANO NABLE
Presiding Judge

WE CONCUR:

AUGUSTO M. LUCIANO
Associate Judge

ROMAN M. UMALI
Associate Judge

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