

Title:

****Yaokasin v. Commissioner of Customs, G.R. No. 84111, December 22, 1989****

Facts:

On May 27, 1988, the Philippine Coast Guard seized 9,000 sacks of refined sugar from the M/V Tacloban and transferred them to the Bureau of Customs. Petitioner Jimmy O. Yaokasin presented a sales invoice from Jordan Trading of Iloilo to prove the sugar was locally purchased. Despite this, the District Collector of Customs ordered the seizure to proceed.

Show-cause hearings took place on June 3 and 6, 1988. On June 7, 1988, the District Collector of Customs ordered the release of the sugar. The decision and case records were sent to the Commissioner of Customs on June 10, 1988.

Subsequently, the Economic Intelligence and Investigation Board (EIIB) filed a Motion for Reconsideration, claiming the seized sugar was of foreign origin. This led to an internal procedural scramble. The Commissioner of Customs returned the records for resolution of the government's motion.

On July 4, 1988, Yaokasin obtained a writ of replevin from the Regional Trial Court of Leyte to recover the sugar. On July 15, 1988, the District Collector of Customs reversed his decision, declaring the sugar was indeed foreign and smuggled, thus forfeiting it to the government. On the same day, the Commissioner and District Collector of Customs moved in the Court of Appeals to annul the writ of replevin.

Issues:

1. Does the Commissioner of Customs have the power of automatic review over seizure and protest decisions made by the Collector of Customs?
2. Was the issuance of Customs Memorandum Order No. 20-87 valid and binding without publication?

Court's Decision:

1. ****Automatic Review Power:****

- ****Majority:**** The Supreme Court ruled that the Commissioner of Customs holds the power of automatic review over decisions adverse to the government as per Customs Memorandum Order No. 20-87 and Section 12 of the Integrated Reorganization Plan (IRP) adopted by Presidential Decree No. 1. This automatic review process aims to safeguard government interests and ensure consistency with customs laws.

- ****Dissent:**** Justice Medialdea argued that the express provisions of the Tariff and

Customs Code of 1978, specifically Section 2313, take precedence. This section allows only for appeals by aggrieved parties, thus excluding the government's right to an automatic review unless explicitly provided by Congress.

2. **Validity of CMO No. 20-87 Without Publication:**

- **Majority:** The majority held Customs Memorandum Order No. 20-87 as binding internal guidance and not requiring publication in the Official Gazette, being an administrative order directed only to customs collectors.
- **Dissent:** Justice Medialdea contended that for any regulation to be effective and binding, it should be published in the Official Gazette as per the Revised Administrative Code then applicable, ensuring transparency and legal adherence.

Doctrine:

- **Automatic Review for Government-Adverse Decisions:** When a Collector of Customs renders a decision adverse to government interests, such as unfavorable rulings in seizure cases, these decisions undergo automatic review by the Commissioner of Customs as mandated by CMO No. 20-87 and Section 12 of the IRP.

Class Notes:

- **Key Elements:**
- **Tariff and Customs Code (Section 2313):** Defines the appeal process by "the person aggrieved by the decision or action of the Collector."
- **Integrated Reorganization Plan (Section 12):** Establishes automatic review by superior customs officials of decisions unfavorable to the government.
- **Administrative Legal Precedents:** Establishes hierarchy; special laws (e.g., Tariff and Customs Code) override general laws (IRP) absent legislative amendment.
- **Publication Requirement:** Under Section 551 of the Revised Administrative Code, all regulations need approval and publication in the Official Gazette to be legally binding unless they are internal administrative communications.
- **Statutory Provision for Quick Reference:**
- **Section 2313 of the Tariff and Customs Code**
- **Section 12 of the Integrated Reorganization Plan**
- **Presidential Decree No. 1**

Historical Background:

The case occurred against the backdrop of a restructuring regime under the Marcos administration. The Integrated Reorganization Plan was part of sweeping changes intended

to streamline government functions and reinforce executive authority over agencies, including customs. This legal contest reflected lingering tensions over centralized reforms and their collision with detailed legislative specifications, especially in the autonomy and procedural protections surrounding customs operations.

This case underlines how legal frameworks and administrative implementations can impact governmental control mechanisms to prevent possible corruption and ensure fidelity in customs management.