

**SABINO RIGOR, RODOLFO AQUINO AND SIMEON ANTICAMARA,
COLLECTOR OF CUSTOMS, LEGAL OFFICER AND CHIEF OF THE
PORT AND WATER PATROL DIVISION, RESPECTIVELY, BUREAU OF
CUSTOMS, PORT OF...**

G.R. No. L-33756. October 23, 1982

Ponente: GUTIERREZ, JR., J.

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GUTIERREZ, JR., J.:

This is a petition for review on certiorari of the respondent court's decision declaring null and void the decision of the Collector of Customs in an administrative case "Seizure Identification No. 70-027" entitled "RP vs. LCT-759 Together With 103 Pieces of Logs Aboard Same Vessel".

The case originated from the issuance by the petitioner, Collector Sabino Rigor, of a Warrant of Seizure and Detention in accordance with the provisions of Sections 2301 and 2205, in relation to Sections 2530(g), 906 and 908 of Republic Act No. 1937, otherwise known as the Tariff and Customs Code of the Philippines, against the vessel LCT-759 and its cargo, consisting of 103 pieces of logs for failure to pre-sent a manifest for the said logs within the period prescribed by the Code.

A notice of hearing was issued by petitioner Rodolfo M. Aquino, Investigation Hearing Officer, on the Warrant of Seizure and Detention. The parties who were duly notified and represented, voluntarily submitted to the jurisdiction of the respondent Collector of Customs for the Port of Davao.

After hearing the parties, the respondent Collector of Customs rendered a decision ordering the seized logs forfeited in favor of the government to be disposed of according to law. In the same decision, the respondent Collector imposed a P10,000.00 fine against the vessel in accordance with the provisions of Section 2521 of Republic Act No. 1937.

Instead of appealing the Collector's decision to the Commissioner of Customs, the private respondents filed an original petition for certiorari with the Court of First Instance of Davao, Branch II, praying that the Collector's decision in Seizure Identification No. 70-027 be annulled for having been issued without or in excess of jurisdiction or with grave abuse of discretion.

In their answer, herein petitioners, in turn, pointed out the court's lack of jurisdiction.

In their reply, the private respondents averred that Section 2530 of the Tariff and Customs Code, which gives the petitioners the power to seize and to declare forfeitures, refers to imported articles which should be covered by manifest and since the logs in question were not imported nor smuggled articles from a foreign country, the petitioners had no business collecting customs duties thereon nor did they have the power to seize and to declare the same forfeited.

After requiring the parties to submit supplementary pleadings and subsequent to the petitioners submission of a

"Memorandum of Evidence with Motion for Judgment on the Pleadings", the respondent court promulgated the judgment now subject of this petition, reversing and declaring null and void the decision of the Collector of Customs in Seizure Identification No. 70-027. The court further directed the withdrawal of the proceeds of the sale of the 103 pieces of seized logs from the Philippine National Bank for delivery to the private respondents.

Their motion for reconsideration having been denied, the petitioners filed the present petition.

At issue in this petition is the jurisdiction of a Court of First Instance to review the decision of a Collector of Customs in seizure and detention proceedings under the Tariff and Customs Code of the Philippines (R.A. No. 1937).

The petitioners argue that the respondent court's review of the decision in Seizure Identification No. 70-027 was devoid of validity as under Section 2313 of the Tariff and Customs Code of the Philippines, the Collector of Customs' decision should have been brought on appeal to the Commissioner of Customs, not before the Court of First Instance of Davao. The decision of the Commissioner of Customs, on the other hand, would have been appealable to the Court of Tax Appeals pursuant to Section 2402 of the Code and Section 7 of Republic Act No. 1125. Since the Court of First Instance of Davao, Branch II, did not validly acquire jurisdiction over Special Civil Case No. 7114, the proceedings taken therein and the decision rendered by the respondent court were a nullity which cannot be validly enforced nor effectively executed.

Private respondents on the other hand, contend that their petition before the Court of First Instance was not an appeal but a special civil action for certiorari under Section 1, Rule 65 of the Rules of Court where the court may review the records and the entire proceedings conducted by the petitioners.

The private respondents try to make out a case of the administrative authorities having acted without or in excess of jurisdiction or with grave abuse of discretion to justify their invocation of judicial power which is, of course, available whenever administrative officials transgress the bounds of the jurisdiction or the powers given to them by law.

The respondents' arguments have no merit.

The provisions of the Tariff and Customs Code empowering the customs authorities to act as they did are:

'Sec. 2203. Persons Having Police Authority. - For the enforcement of the customs and tariff laws, the following persons are authorized to effect searches, seizures and arrests conformably with the provisions of said laws:

"a. Officials of the Bureau of Customs, collectors, assistant collectors, deputy collectors, surveyors, security and secret-service agents, inspectors, port patrol officers and guards of the Bureau of Customs.

"b. Officers of the Philippine Navy when authorized by the Commissioner.

"c. Any person especially author-ized in writing by the Commissioner.

"d. Officers generally empowered by law to effect arrests and execute processes of courts, when acting under the direc-tion of the Collector.

"e. Any person especially author-ized by a Collector, subject to the restrictions stated in the next succeeding section.

x x x

""Sec. 2530. Property Subject to For-feiture Under Tariff and Customs Laws. - Any vessel or aircraft, cargo,

articles and other objects shall, under the following conditions, be subject to forfeiture:

x x x x

"'g. Unmanifested article found on any vessel or aircraft, if manifest therefor is required.'

x x x x

"'Sec. 906. Requirement of Manifest in Coastwise Trade. - Manifests shall be required for cargo and passengers transported from one place or port in the Philippines to another only when one or both of such places is a port of entry.'

x x x x

"'Sec. 908. Manifests Required Prior to Unloading at Port of Entry. - Within twenty-four hours after the arrival at a port of entry of a vessel engaged in the coastwise trade, and prior to the unloading of any part of the cargo the master shall deliver to the Collector or other proper customs official complete manifests of all the cargo and passengers brought into said port, together with the clearance manifests of cargo and passengers for said port granted at any port or ports of entry from which said vessel may have cleared during the voyage.'"

Contrary to the stand of the private respondents, articles subject to seizure do not have to be goods imported from a foreign country. The provisions of the Code refer to unmanifested articles found on vessels or aircraft engaged in the coastwise trade. The customs authorities do not have to prove to the satisfaction of a court of first instance that the articles on board a vessel were imported from abroad or are intended to be shipped abroad before they may exercise the power to effect customs' searches, seizures, or arrests provided by law and to continue with the administrative hearings on whether or not the law may have been violated.

Regarding the nature of the port of origin and the port of destination, it is enough if one of the ports is a port of entry. In the instant case, Davao, Toril, Davao City is included in the Davao port of entry. The respondent court's finding that "port of entry" must be limited to the wharves of Sta. Ana and Sasa where the customs house is located and not extended "to every inch of the City of Davao" would unduly hamper if not cripple the effective enforcement of customs and tariff laws. Customs officials cannot stand by helplessly for want of jurisdiction simply because a restrictive interpretation of "port of entry" would enable coastwise vessels to load or unload unmanifested goods with impunity outside of the specific area where the wharves and the customs house are located.

The records also show that the requirements on cargo manifest were not followed.

But more important than our sustaining the correctness of the findings and conclusions made by the customs' officials is to state clearly their authority under the law to make the initial determination on the limits of their administrative jurisdiction, to act speedily and to make decisions on the basis of that determination, and to have such act or decision reviewable only in the manner provided by the Customs and Tariff Code.

It is our consistent ruling that the Collector's decisions are appealable to the Commissioner of Customs, whose decisions, in cases involving seizure, detention or release of property, may in turn be reviewed only by the Court of Tax Appeals.

We ruled in *Señeres v. Frias* (39 SCRA 536) that:

"The collector's decision may be appealed to the commissioner of customs, whose decision, inter alia, in cases involving seizure, detention or release of property affected, may in turn be reviewed only by the Court of Tax Appeals under the exclusive appellate jurisdiction conferred on said court under section 7 of Republic Act 1125.

xxx xxx xxx

"As held by the Court in the 1966 leading case of *Pacis vs. Averia*, 18 SCRA 907, - where the court empha-sized the need of the cooperation of all branches of the Government for the success of the law enforcement agencies in curbing smuggling — by virtue of the enactment of the Tariff and Customs Code (Rep. Act 1937) as well as the Court of Tax Appeals Law (Rep. Act 1125), 'on grounds of public policy, it is more reasonable to con-clude that the legislators intended to divest the Court of First Instance of the prerogative to replevin a pro-perty which is a subject of a seizure and forfeiture proceedings for violation of the Tariff and Customs Code. Other-wise, actions for forfeiture of pro-perty for violation of Customs laws could easily be undermined by the simple device of replevin.

"Furthermore, Section 2303 of the Tariff and Customs Code requires the Collector of Customs to give to the owner of the property sought to be forfeited written notice of the seizure and to give him the opportunity to be heard in his defense. This provision clearly indicates the intention of the law to confine in the Bureau of Customs the determination of all questions affecting the disposal of property proceeded against in a seizure and forfeiture case. The judicial recourse of the property owner is not in the Court of First Instance but in the Court of Tax Appeals, and only after exhausting administrative remedies in the Bureau of Customs."

In the case of *Hadji Mohamad Daud v. Collector of Customs of the Port of Zamboanga City* (68 SCRA 157) this Court reiterated the doctrine as follows:

"As early as June 30, 1955, the Court had already announced in *Millarez v. Amparo*, 97 Phil. 284-85, that 'Republic Act No. 1125, Section 7, effective June 16, 1954 gave the Court of Tax Appeals exclusive appellate jurisdiction to review an appeal, decisions of the Commissioner of Customs, involving seizure, deten-tion or release of property affected *** or other matter arising under the Customs Law or other law administered by the Bureau of Customs'. Specifically, in *Caltex (Philippines) Inc. v. City of Manila*, 25 SCRA 840, it was held that the law affords the Collector of Customs sufficient latitude in determining whether or not a certain article is subject to seizure or forfeiture and his decision on the matter is appealable to the Commissioner of Customs and then to the Court of Tax Appeals, not to the Court of First Instance. The fundamental reason is that the Collector of Customs consti-tutes a tribunal when sitting in forfeiture proceedings (*Commissioner of Customs v. Cloribel*, 19 SCRA 234) beyond the interference of the Court of First Instance (*Lopez v. Commissioner of Customs*, 37 SCRA 33-34). As expressed in *Pacis v. Averia*, 18 SCRA 907,'* * * the Court of First Instance should yield to the jurisdiction of the Collector of Customs is provided for in Republic Act 1937 which took effect on July 1, 1957, much later than the Judiciary Act of 1948. It is axiomatic that a later law prevails over a prior statute. Moreover, on grounds of public policy, it is more reasonable to conclude that the legislators intended to divest the Court of First Instance of the prerogative to replevin a property which is a subject of a seizure and forfeiture proceedings for violation of the Tariff and Customs Code. Otherwise, actions for forfeiture of property for violation of Customs laws could easily be undermined by the simple device of replevin'. The judicial recourse of the owner of a personal property which has been the subject of a seizure and forfeiture proceedings before the Collector of Customs is not in the Court of First Instance but in the Court of Tax Appeals, and only after exhausting administrative remedies in the Bureau of Customs (*Collector of Customs v. Torres*, 45 SCRA 281). If the property owner believes that the Collector's conclusion was erroneous, the remedy is by appeal to the Commissioner of Customs, and then to the Court of Tax Appeals should the Commissioner uphold the Collector's decision. The Court of Tax Appeals exercises exclusive appellate jurisdiction to review the ruling of the Commissioner in seizure and confiscation cases, and that power is to the exclusion of the Court of First Instance, which may not interfere with the Commissioner's decisions even in the form of proceedings for certiorari, prohibition or mandamus which are in reality attempts to review the Commissioner's actuations (*General Travel Service, Ltd. v. David*, 18 SCRA 66-67)."

Again, in *Republic v. Bocar* (93 SCRA 78) the Court said:

"1. The Congress of the Philippines was vested with 'the power to define, prescribe, and apportion the

jurisdiction of the various courts' of the Philippines. Now it is the National Assembly. Where the matter involved is a seizure and forfeiture proceeding, a court of first instance is devoid of power to act. The customs authorities possess such competence with an appeal to the Court of Tax Appeals. In appropriate cases, there may be further judicial review by this Court in the exercise of its certiorari jurisdiction. The jurisdictional limits thus defined and apportioned, according to the Constitution, must be respected. Respondent judges clearly did not do so. No deference was paid to a host of cases that left no doubt as to their lack of authority to assume jurisdiction.

"2. An excerpt from a recent decision, *Commissioner of Customs v. Navarro*, 77 SCRA 264, possesses relevance. Thus: 'That such jurisdiction of the customs authorities is exclusive was made clear in *Pacis v. Averia*, decided in 1966. This Court, speaking through Justice J.P. Bengzon, realistically observed: 'This original jurisdiction of the Court of First Instance, when exercised in an action for recovery of personal property which is a subject of forfeiture proceeding in the Bureau of Customs, tends to encroach upon, and to render futile, the jurisdiction of the Collector of Customs in seizure and forfeiture proceedings.' The court 'should yield to the jurisdiction of the Collector of Customs.' Such a ruling, as pointed out by Justice Zaldivar in *Auyong Hian v. Court of Tax Appeals*, promulgated less than a year later, could be traced to *Government v. Gale*, a 1913 decision, where there was a recognition in the opinion of Justice Carson that a Collector of Customs when sitting in forfeiture proceedings constitutes a tribunal upon which the law expressly confers jurisdiction to hear and determine all questions touching the forfeiture and further disposition of the subject matter of such proceedings. The controlling principle was set forth anew in *Ponce Enrile v. Vinuya*, decided in 1971. Thus: 'The prevailing doctrine is that the exclusive jurisdiction in seizure and forfeiture cases vested in the Collector of Customs precludes a court of first instance from assuming cognizance over such a matter.' Reference was then made in the opinion to previous cases.'"

WHEREFORE, the decision of the Court of First Instance of Davao, Branch II in Special Case No. 7114 as well as the order denying the motion for reconsideration are nullified and set aside. The writ of preliminary injunction heretofore issued by this Court is made permanent. Costs against private respondents.

SO ORDERED.

Teehankee, (Chairman), Melencio-Herrera, Plana, Vasquez, and Relova, JJ., concur.

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