

THE PEOPLE OF THE PHILIPPINES, PLAINTIFF AND APPELLEE, VS. MARIA MAYDIN, DEFENDANT AND APPELLANT.

G.R. Nos. 15381-82. April 26, 1961

Ponente: PADILLA, J.

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PADILLA, J.:

By resolution adopted on 6 March 1959 the Court of Appeals certified to this Court the appeal in these two cases, because only legal questions are raised, to wit: "the criminal liability of appellant upon the provisions of Circulars Nos. 42 and 60 of the Central Bank of the Philippines."

The facts are as follows:

* * * defendant Maria Maydin was booked as an outgoing passenger on a Philippine Air Line plane on February 23, 1956 from Manila to Hongkong. Shortly, before the hour of departure of the plane, the defendant's person and baggage were examined by the personnel of the Bureau of Customs assigned at the Manila International Airport at Nichols Air Base. Pasay City. The inspection was made in a room where outgoing passengers stay before they board the departing plane. Customs examiner Benigno Layug, who was assigned to examine the defendant, asked her if she had money in her handbag and in her overnight kit (Exhibit "A") which were part of Maydin's luggage. The defendant replied that she had \$100.00 covered by a license and P100. Philippine notes. Layug opened the defendants black handbag and he found therein eight pieces of fifty-peso bills (Exhibits "C-1" to "C-8", inclusive) amounting in all to P400.00. Layug then asked Maydin why she said that she only had \$100.00 and P100.00 but the defendant did not answer. Examiner Layug then asked Maydin if she had anything in her overnight kit, Exhibit "A", and she replied that all that she had therein were toilet articles and lingerie. Layug asked the defendant to open her overnight kit, Exhibit "A", and when it was opened, Layug found on its upper portion toilet articles and lingerie on the lower part but the customs examiner noticed that the bottom floor of the overnight kit was quite high so he knocked on it and it produced a hallow sound. His suspicion was aroused so he asked her if she had anything aside from what he had seen and Maria Maydin tapped Layug lightly causing the latter to observe that she did not want him to continue with the examination. He asked Maydin to go with him to the Chief Appraiser with the overnight kit. The Chief Appraiser was not in his office. The Deputy Collector of Customs Mr. Crisostomo arrived and he asked Layug to bring the overnight kit Exhibit "A" to his office. Mr. Crisostomo asked Maydin what the contents of the bottom compartment of her overnight kit, Exhibit "A", were and she replied she had about P10,000.00 there.

As Maydin was anxious to leave on the plane, Deputy Collector Crisostomo allowed her to leave for Hongkong so long as she left behind a representative to witness the opening of her overnight kit. Maydin's husband Francisco Aldana acted as her representative. The bottom of the compartment of the overnight kit, Exhibit "A", was opened in the presence of Deputy Collector of Customs Crisostomo, defendant's husband Francisco Aldana, the agent in charge Victorino, agent Socorro de Guzman and forty-four pieces of one hundred peso bills, one hundred twenty pieces of fifty peso bills and four pieces of ten dollars were found totalling in all P10,800 and forty dollars.

For carrying, and having in her possession and control, \$40 found in her overnight kit without the necessary

Central Bank license or permit, as required by section 3 (a) of Central Bank circular No. 42 in relation to circular No. 20 and sections 14 and 34 of Republic Act No. 265, Maria Maydin was charged with a violation thereof. For carrying and having in her possession and control the sum of P10,800, Philippine currency, found in her handbag and overnight kit without the necessary license or permit as required by section 2(a) of Central Bank circular No. 60 in relation to sections 14 and 34 of Republic Act No. 265, she was accused of a violation thereof. After joint trial, the Court of First Instance of Rizal rendered judgment finding her guilty of the violations charged and sentencing her in both cases as follows—

1) In Criminal Case No. 3825-P defendant Maria Maydin is hereby sentenced to suffer imprisonment for six (6) months, pay a fine of Three Hundred (P300.00) Pesos and to pay the costs. The four ten-dollar bills, Exhibits "F-1" to "F-4", inclusive, are hereby declared forfeited in favor of the government; and

2) In Criminal Case No. 3796-P defendant Maria Maydin is hereby sentenced to suffer imprisonment for six (6) months, pay a fine of Three Thousand (P3,000.00) Pesos and to pay the costs. The one hundred twenty-eight pieces of fifty-peso bills, exhibits "C-1" to "C-8", inclusive, "D-1" to "D-120", inclusive, and the forty-four pieces of one hundred-peso bills, exhibits "E-1" to "E-44", inclusive, are hereby declared forfeited in favor of the government.

From both judgments Maria Maydin has appealed to the Court of Appeals which, as stated at the beginning of this opinion, certified to this Court the appeal in both cases.

The appellant contends that the lower Court erred in—

* * * its conclusion that the Monetary Board of the Central Bank of the Philippines is empowered, by implication, to declare the existence of an "exchange crisis" under the provisions of Republic Act No. 265.

* * * its conclusions to the effect that Circular No. 20 of the Central Bank was approved by the President.

* * * its conclusion to the effect that after the approval of Circular No. 20 by the President of the Philippines, rules and regulations that are supplementary thereto subsequently promulgated by the Monetary Board of the Central Bank, like those embodied in Circular No. 42, do not require the approval of the President for their validity.

* * * its conclusion to the effect that the rules and regulations embodied in Circular No. 42 are only supplementary to Circular No. 20.

* * * Its conclusion to the effect that Circular No. 60 does not require the approval of the President for its validity, on the argument that the said Circular was issued by the Monetary Board of the Central Bank under section 14 of Republic Act No. 265, and not under section 74 of the said Act.

* * * adopting the conclusion that the appellant, Maria Maydin, violated circulars Nos. 42 and 60.

* * * convicting the appellant, Maria Maydin; and imposing on her the penalties specified in the decision.

* * * decreeing the forfeiture of the United States dollars and Philippine pesos involved in these cases.

The Central Bank of the Philippines need not declare the existence of an exchange crisis before it can exercise the powers granted it by Republic Act No. 265. It is enough that the power be exercised to carry out the purpose and aim declared in the law. The validity of the circulars in question promulgated by the Central Bank without any prior declaration of the existence of an exchange crisis has been upheld in a number of cases.[1]

Under the second, third, fourth and fifth assignments of errors, the appellant assails the legality and validity of circular No. 20 and the other subsequent circulars issued by the Central Bank, because, as contended by her, they lack the presidential approval required by law for their efficacy, validity and legality. This also is already settled.

Circular No. 20 has the approval of the Chief Executive. The other circulars promulgated subsequent to circular No. 20 need not be approved by the President, because they merely implement circular No. 20.[2]

In the sixth and seventh assignments of errors, the appellant claims that she did not violate Circulars Nos. 42 and 60, for the reason that before the U.S. currency of \$40 and the Philippine currency of P10,800 were found and taken from her possession by the customs authorities she had orally declared to them that she had both kinds of bills in her possession. As found by the trial Court, this pretention is not true because upon being asked by a customs examiner she only declared that she had \$100 covered by a license and P100. This admission which was made only after her possession of the money had been detected cannot substitute for or take the place of the license or permit required by law to be issued by the Central Bank or its authorized agent.

The rule laid down in *People vs. Lim Ho et al.*, supra. as regards forfeiture of the bills found in appellant's possession may not be invoked in these cases, because there the gold bars and United States securities were seized by the Bureau of Customs officers and forfeiture proceedings before the Collector of Customs were commenced and were not introduced in evidence at the trial of the case; here, the bills found in appellant's possession were presented in evidence and were under the control of the trial Court. Their forfeiture ordered by the Court was legal.

The judgments appealed from are affirmed, with costs against the appellant.

Bengzon, Acting C.J., Bautista Angelo, Labrador, Concepcion, Reyes, J.B.L., Barrera, Paredes, and Dizon, JJ., concur.

[1] *People vs. De Leon*, 109 Phil., 574; 60 Off. Gaz., [12] 1707; *People vs. Lim Ho et al.*, 106 Phil., 887; *People vs. Jolliffe*, 105 Phil., 677; *People vs. Henderson*, 105 Phil., 859; 56 Off. Gaz., [46] 7031; *People vs. Koh*, 105 Phil., 925; 57 Off. Gaz., [21] 3907.

[2] *Supra*.

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