



***Tidbits on Nepomuceno at BOC, dumping of imported substandard products, FPI 2025 Summit -
by FPI Chairman Emeritus, Dr. Jesus Lim Arranza***

The appointment of Office of Civil Defense (OCD) Administrator Ariel Nepomuceno as Commissioner of the Bureau of Customs (BOC) is indeed a welcome development at this time when the country is facing the threat of becoming a dumping ground for cheap and mostly substandard imported products from China due to the trade tussle between Washington and Beijing.

We, at the Federation of Philippine Industries (FPI), are aware of the good record of Nepomuceno in his first stint at the BOC as the deputy commissioner of the Enforcement Group from 2013 to 2017 and as assistant commissioner from 2017 to 2018.

President Marcos's decision to put Nepomuceno at the helm of the BOC gives us hope that, indeed, the Chief Executive's first SONA (State of the Nation) promise that he will put an end to smuggling will be pursued vigorously.

I personally would like to thank the President also for taking cognizance of various issues and concerns that we forwarded to his office, including the tax-free entry of palm olein purportedly for animal feeds compounding that reportedly robbed the government of some P45 billion in revenues over several years, as well as the mushrooming of illegal lead smelters, to name a few. Through the directives sent by the Office of the President to the concerned agencies, proper actions were taken. Mabuhay Mr. President! We support you not just in words but more so in action.

The BOC is a very critical agency because it is one of our first lines of defense against smuggling and imported substandard products, the others being the Bureau of Philippine Standards (BPS) and the Food and Drug Administration.

As the Executive Director of the National Disaster Risk Reduction and Management Council (NDRRMC) and OCD Undersecretary, Nepomuceno already shares the FPI's concern that the influx of substandard products, especially construction materials, is putting Filipinos under greater threats of man-made and natural disasters. He shares my belief that our efforts to practice into perfection "Duck, Cover, and Hold" will just be all for naught because when a strong earthquake strikes like the feared "The Big One," we don't know if the buildings will withstand the tremors, especially if the construction materials used are substandard. In short: "Duck, Cover, and Hold; but will the building hold?"

About a week before his transfer to the BOC, Nepomuceno and I met to discuss the forging of a memorandum of agreement (MOA) between the OCD and FPI that sets the areas of cooperation

that will be undertaken to combat the influx of substandard products, especially construction materials, in the market.

The signing of this MOA will serve as one of the highlights of the FPI Business Summit 2025 with the theme “Thriving Through Turbulence: Advancing Manufacturing Resilience and Growth” on October 8, 2025 at the Manila Polo Club.

This summit will gather domestic industry leaders and top government officials to exchange inputs and views on how the economy, the local producers, Filipino labor, and the consumers can be insulated from the harmful effects of smuggling and cheap imported substandard products.

Nepomuceno gave the assurance that despite his move to the BOC, this MOA will still be pursued by the people he worked with at the NDRRMC and OCD.

As tariffs and restrictions tighten in the US, manufacturers in China may seek alternative markets to offload their products, including the Philippines. This scenario raises concerns about the quality and safety of goods entering our borders, particularly as some manufacturers may prioritize profit over compliance with safety standards.

This is already happening in the case of construction materials and automotive batteries, and by all indications, the situation could become worse. For instance, the Department of Trade and Industry has raided warehouses and stores selling substandard batteries from China.

The scenario of China dumping their products in the Philippines raises concerns about the quality and safety of goods entering our borders, particularly as some manufacturers may prioritize profit over compliance with safety standards.

The BOC, along with the FDA and BPS, plays a crucial role in ensuring that imported products meet the necessary quality and safety standards. The BOC is responsible for regulating the entry of goods into the country. The FDA oversees the safety of food, drugs, and cosmetics, while the BPS establishes standards for various non-food products.

Together, these agencies form a robust framework designed to protect the public from substandard goods that could pose health risks or undermine local industries. Let me stress that the primary objective is to safeguard the welfare of consumers.

As we navigate this uncertain landscape, it is imperative that these agencies ramp up their vigilance. Increased inspections, stricter enforcement of regulations, and proactive countermeasures can help mitigate the risks associated with substandard imports. By doing so, they can safeguard consumers from potentially harmful products and protect local businesses from unfair competition.

Moreover, public awareness campaigns are essential in educating consumers about the importance of choosing quality products. By empowering consumers to make informed decisions, we can collectively reduce the demand for substandard goods and support local industries that adhere to high standards of quality.

The economic implications of allowing substandard products to flood the market are significant. Not only do these products threaten consumer safety, but they also undermine the integrity of local manufacturers who invest in quality and compliance. Protecting our economy means ensuring that local businesses can compete fairly and thrive in a market that values quality over cost.

The BOC, FDA, and BPS must remain vigilant in the face of potential challenges posed by the ongoing trade war. By strengthening their defenses against substandard imports, these agencies can protect consumers, support local industries, and uphold the integrity of the Philippine market.

As always, the FPI—with its newly elected Board of Directors and officers that include yours truly as the chairman emeritus, my tukayo and Immediate Past President Jesus R. Montemayor, our new Chairperson, Elizabeth H. Lee, new President, John Reiner H. Dizon, Pablo Lobregat, Gareth McGeown, Greg U. Chan, Ramon Y. Uy, Chris J. Nelson, Peter T. Quintana, Roberto F. Batungbacal, Gijs de Best, Patrick Henry C. Go, Reynaldo Y. Go, Wellington Y. Tong, and Manuel V. Pangilinan—is fully committed to working with these agencies. I'm proud to say that the FPI officers—past and present—are hardworking and are really devoting time and resources to our advocacies to protect the domestic industries, the Filipino workers, and consumers.

To read/view the article: “Tidbits on Nepomuceno at BOC, dumping of imported substandard products, FPI 2025 Summit”, kindly follow this link: <https://businessmirror.com.ph/2025/07/21/tidbits-on-nepomuceno-at-boc-dumping-of-imported-substandard-products-fpi-2025-summit/>.

PH manufacturers: Trade policies should be locally anchored

Philippine manufacturers expressed appreciation that Philippine trade officials adopted a strong and locally anchored position while negotiating for the U.S. reciprocal tariff, stating the exclusion of the manufacturing and agriculture industries and opening the Philippine market only to imported items that are not locally produced are strong steps toward protecting the country's own industries.

“We've taken note of the recent joint statement by Secretary Frederick Go and Secretary Cristina Roque regarding the new trade agreement between the Philippines and the United States. We appreciate their clear stand—our key local agricultural and manufacturing sectors are not part of the tariff concessions. That's a strong step toward protecting our own industries,” said Elizabeth H. Lee, newly elected chairman of the Federation of Philippine Industries (FPI), which groups the country's remaining few manufacturing sectors.

Still, she said, it's early days as both Secretaries mentioned, the details of the deal aren't final yet. “At the end of the day, we all want growth—but it has to be balanced, fair, and locally anchored,” Lee pointed out.

Lee further noted the stand of the Philippine negotiators that the imports getting zero-tariff treatment are mostly critical materials that are not produced in the country, like inputs for healthcare.

“If handled right, this could help certain sectors lower costs without putting local producers at risk,” she added.

Conducting structured consultations with industry stakeholders, coupled with transparent disclosure of products covered by the agreement, can help mitigate potential adverse impacts. These measures may also support the timely activation of appropriate safeguard mechanisms for sectors at risk.

“We stand ready to collaborate with DTI and relevant agencies to ensure that economic openness does not compromise national industrial resilience. The Federation will continue to champion the interests of Philippine manufacturers, protect workers, and foster long-term competitiveness,” she said.

New FPI officers

Meanwhile, the FPI, the Voice of Industry, formally announced the election of its new officers and the upcoming FPI Business Summit 2025, reaffirming its commitment to advancing a strong, competitive, and resilient Philippine manufacturing sector.

Dr. Jesus L. Arranza has been named Chairman Emeritus, honoring his decades of unwavering leadership in championing Filipino industry, fighting smuggling, and advocating for fair trade. Stepping into the role of chairman is Ms. Elizabeth H. Lee, a pioneering figure in automotive and advanced manufacturing, known for her commitment to sustainability, innovation, and inclusive growth. She is the first woman to hold this position in our organization’s history. Joining her as president is Mr. John Reinier Dizon, a respected industry leader dedicated to local manufacturing and close collaboration with both government and business sectors.

FPI will convene its highly anticipated Business Summit 2025 on October 8, 2025, at 8:00 AM, at the Manila Polo Club, Turf Room, located at 35 McKinley Road, Makati City. This year’s theme, “Thriving Through Turbulence: Advancing Philippine Manufacturing Resilience and Growth,” reflects the sector’s drive to overcome global economic headwinds and turn disruption into opportunity.

Secretary Cristina Aldeguer Roque of the Department of Trade and Industry and Secretary Ralph G. Recto of the Department of Finance have been invited to deliver keynote addresses. The summit will highlight landmark reforms such as the Tatak Pinoy Law and CREATE MORE, along with efforts to strengthen industrial capacity, enforce fair trade rules, and accelerate green and digital transformation in manufacturing.

Lee said this year’s Summit will not only celebrate that legacy but push forward a bold agenda for reindustrialization—one that is fair, green, and future-ready.

To read/view the article: “PH manufacturers: Trade policies should be locally anchored”, kindly follow this link: <https://logisticsnews.ph/2025/07/24/manufacturers-trade-policies-should-be-locally-anchored/>.

BOC Chief Pushes Reforms to Combat Agri Smuggling

Determined to protect the country's food security and agricultural sector, the Bureau of Customs (BOC), under the leadership of Commissioner Ariel F. Nepomuceno, is advancing a multi-pronged approach to eliminate agricultural smuggling. These efforts include the full automation of customs processes, the proposed implementation of a Pre-Shipment Survey mechanism, and the strict enforcement of the Anti-Agricultural Economic Sabotage Act.

Commissioner Nepomuceno emphasized that curbing agricultural smuggling is not only a matter of enforcement but also a question of system integrity. "We must modernize our systems, tighten our enforcement, and transform our workforce to truly protect our borders and support our farmers," he said.

To eliminate human discretion and reduce opportunities for corruption, the BOC is accelerating the full automation of customs procedures, especially in the processing and clearance of agricultural imports. Automation will enable real-time tracking, automated risk management, and digital verification, significantly improving transparency and operational efficiency.

As an added safeguard, the Bureau is reinforcing stricter and risk-based monitoring of shipments originating from identified high-risk countries with a history of illicit importation or agricultural smuggling. Enhanced profiling and targeted inspections are being applied to detect and intercept suspicious shipments before they reach the Philippine market.

As part of its broader reform agenda, the BOC is also studying the possible adoption of a Pre-Shipment Survey mechanism. This proposed measure would require goods to undergo inspection and verification before leaving the exporting country. While the concept is still under evaluation, it is being considered as a potential solution to address issues of misdeclaration, underdeclaration, and technical smuggling before the goods reach Philippine shores.

With the enactment of Republic Act No. 12022, also known as the Anti-Agricultural Economic Sabotage Act, the BOC is reinforcing its enforcement efforts. The law imposes severe penalties, including non-bailable charges, for individuals found guilty of smuggling agricultural goods worth at least ten million pesos. The Bureau has since intensified its inspection, alert, and seizure operations to detect violations and pursue legal action against offenders.

In recent months, the BOC has successfully intercepted several attempts to smuggle agricultural products, including misdeclared onions, carrots, and frozen fish at major ports such as Subic and Manila. One major operation, conducted in partnership with the Department of Agriculture (DA), uncovered 10 containers falsely declared as "chicken poppers" which were actually loaded with smuggled carrots and onions valued at over 100 million pesos.

These operational successes underscore the BOC's strengthened collaboration with law enforcement agencies such as the Philippine National Police, National Bureau of Investigation, and Philippine Coast Guard. The Bureau also works closely with the Department of Agriculture to ensure that only lawful and properly declared agricultural imports are allowed into the country.

Beyond enforcement, Commissioner Nepomuceno is committed to building a culture of integrity and discipline among BOC personnel. From entry-level staff to high-ranking officials, all employees are expected to uphold the values of professionalism and accountability. “This is not just about stopping smuggling. It is about transforming the institution and building a Bureau that the Filipino people can trust,” he added.

Commissioner Nepomuceno reiterated the Bureau’s commitment to Filipino farmers

“Every smuggled onion, carrot, or sack of rice that slips through our borders is a direct blow to the hardworking hands that feed our nation. The Bureau of Customs will stand firm with our farmers. We are committed to guarding our borders not just for compliance, but for justice, fairness, and the dignity of Filipino agricultural workers.”

The Bureau of Customs remains fully committed to upholding fair trade, protecting local industries, and ensuring that the benefits of lawful trade reach every Filipino.

To read/download BOC Media Release: “BOC Chief Pushes Reforms to Combat Agri Smuggling”, kindly follow this link: <https://customs.gov.ph/boc-chief-pushes-reforms-to-combat-agri-smuggling/>.

BOC, DOF Set Fiscal and Operational Priorities for Year-End Push

On Monday, 14 July 2025, marking his first official meeting with the Finance Secretary, Commissioner Ariel F. Nepomuceno, along with key Bureau of Customs (BOC) officials, discussed critical operational and fiscal matters of the Bureau. This meeting is crucial in setting the agency’s strategic direction for the remaining months of 2025 and draws clear guidance from the Department of Finance (DOF) Secretary, Ralph G. Recto.

The BOC presented a catch-up and action plan focused on operational efficiency and revenue optimization to meet the Bureau’s target collection for the year, ramping up border protection efforts, and advancing trade facilitation initiatives for the remainder of 2025.

The Secretary, in turn, affirmed his support for the BOC’s efforts in generating revenue, securing borders, and streamlining trade. He further emphasized the BOC’s pivotal role in national fiscal stability, pointing out that about 20% of government spending is sourced from the agency’s revenue collections.

Secretary Recto also shared that he looks forward to working with the fresh set of officials recently added to the BOC’s team in a brief introduction to the agency’s updated executive line-up, poised to help bolster the Bureau’s transformational reform agenda.

Led by DOF Undersecretary Atty. Charlito Martin R. Mendoza, the Revenue Operations Group (ROG), shared strategic insights to help the BOC improve revenue generation strategies and meet its annual target.

Meanwhile, current and some of the new Deputy Commissioners and District Collectors, took an oath before Secretary Recto, pledging their commitment to a unified effort toward the continued transformation of the BOC and a much-improved institution that thrives on efficient, accountable, and people-oriented governance, one that upholds public interest above all.

This high-level discussion is crucial in sustaining reforms that will put the Bureau forward, backed by President Ferdinand R. Marcos Jr.'s commitment to an efficient and reform-driven government—one that envisions and practices strategic foresight, institutional integrity, and service excellence.

In his first two weeks in office, Commissioner Nepomuceno has already taken firm steps to jumpstart key reforms. In a statement, he shared his belief that many BOC employees are supportive and deeply committed to their responsibilities, stating, “We do more. Again, there are quick-to-do reforms that we have to implement soon, and there are major reforms that we have to do by pacing. We will have to calibrate how to do this, and we need the support also of BOC employees.”

To read/download BOC Media Release: “BOC, DOF Set Fiscal and Operational Priorities for Year-End Push”, kindly follow this link: <https://customs.gov.ph/boc-dof-set-fiscal-and-operational-priorities-for-year-end-push/>.

BOC to Extend Importer Accreditation Validity to Three Years

Commissioner Ariel Nepomuceno is advancing significant reforms at the Bureau of Customs (BOC) by extending the validity of importer accreditation to three (3) years. This proactive measure, in direct response to stakeholder sentiments and President Ferdinand R. Marcos Jr.'s directive to improve ease of doing business, updates Customs Administrative Order No. 07-2022. This amendment extends the accreditation validity from one year to three years, aiming to enhance operational efficiency, integrity, and minimize opportunities for corruption.

The change will not only reduce the administrative burden on importers but also simplify the process, allowing them to focus more on their operations rather than annual renewals. This shift is expected to lead to smoother trade transactions, reducing unnecessary delays and fostering a more predictable regulatory environment for businesses.

As part of the new amendment, the processing fee will be adjusted from PHP 2,000 to PHP 5,000 for the accreditation which shall be valid for 3 years. This increase will help the BOC better manage the growing demands and enhance the accreditation system's efficiency. Additionally, the application form will be updated to include additional fields, ensuring more accurate data collection and improving compliance monitoring.

To maintain transparency and accountability, the amendment will also require importers to submit an annual reportorial compliance 30 days before the anniversary of their accreditation. This report will summarize any updates to business documents or information, ensuring that the BOC is consistently up to date on the status of accredited importers.

In response to stakeholders' feedback, the proposal also outlines clear guidelines for the automatic renewal of accreditations, simplifying the process for eligible importers.

Commissioner Nepomuceno stated, "We are committed to making the accreditation process more efficient for importers while upholding transparency and accountability in our operations. By streamlining procedures and reducing opportunities for discretion, these reforms will help deter corruption and promote a more honest and service-oriented Bureau of Customs."

The BOC is currently reviewing the draft amendment with its legal team to ensure compliance with existing laws and regulations. Once the review is completed, the BOC will take the necessary steps to implement the proposed changes.

To read/download BOC Media Release: "BOC to Extend Importer Accreditation Validity to Three Years", kindly follow this link: <https://customs.gov.ph/boc-to-extend-importer-accreditation-validity-to-three-years/>.

BIR RR No. 17-2025 - Amending Sections 3 and 4 of Revenue Regulations (RR) No. 16-2024 on the Updated Floor Price of Cigarette, Heated Tobacco and Vapor Products

Pursuant to the provisions of Section 244 of the National Internal Revenue Code of 1997, as amended, these Regulations are hereby promulgated to update the prescribed floor price of cigarettes, heated tobacco products, and vapor products. To read/download BIR RR No. 17-2025, kindly follow this link: <https://bir-cdn.bir.gov.ph/BIR/pdf/RR%20No.%2017-2025.pdf>.

BIR RMC No. 74-2025 - Updated Checklist of Documentary Requirements for BIR Registration-Related Frontline Services

This Circular is hereby issued to prescribe the updated Checklist of Documentary Requirements (Annexes) for registration-related frontline services.

For clarification, a One Person Corporation (OPC) applying for registration through an authorized representative shall be required to present a Written Resolution indicating the name of authorized representative and the details or purpose of authorization being given to the representative. This requirement does not apply if the incorporator or sole stockholder of the OPC is personally transacting with the Bureau of Internal Revenue (BIR). A Special Power of Attorney cannot be submitted as a substitute to the Written Resolution since an OPC is a juridical entity and has a separate legal personality, distinct from its sole stockholder.

Similarly, a Secretary's Certificate signed by an Assistant Corporate Secretary cannot be submitted as a substitute to a Secretary's Certificate signed by the duly appointed Corporate Secretary.

The BIR shall only **process applications or requests with complete documentary requirements** and **shall not process deficient or incomplete applications or requests** pursuant to paragraph 2 of Rule VII, Section 2(b) of the Implementing Rules and Regulations of Republic Act

No. 11032, otherwise known as the *"Ease of Doing Business and Efficient Government Delivery Act of 2018"*.

To read/download BIR RMC No. 74-2025, kindly follow these links: [Full Text](#) | [Annex CDR](#)

Prepared by the FPI Secretariat

"That in all things God may be glorified"