



Republic of the Philippines  
**HOUSE OF REPRESENTATIVES**  
Quezon City

**Eighteenth Congress**  
Second Regular Session



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**COMMITTEE REPORT NO. 933**

Submitted by the Committees on Ways and Means and Appropriations on May 5, 2021

Re: House Bill No. 9306

Recommending its approval in substitution of House Bill Numbered 883

Sponsors: Representatives Joey Sarte Salceda, Manuel DG. Cabochan III, Kristine Singson-Meehan, and Eric Go Yap

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Mr. Speaker:

The Committees on Ways and Means and Appropriations to which was referred House Bill No. 883, introduced by Rep. Manuel DG. Cabochan III, entitled:

**“AN ACT CONSOLIDATING THE LAWS GRANTING REWARDS TO INFORMERS OF VIOLATIONS OF INTERNAL REVENUE AND CUSTOMS LAWS, REPEALING FOR THIS PURPOSE SECTION 282 OF THE NATIONAL INTERNAL REVENUE CODE OF 1997, SECTION 3513 OF THE TARIFF AND CUSTOMS CODE OF THE PHILIPPINES, AND FOR OTHER PURPOSES”**

have considered the same and recommend that the attached House Bill No. 9306, entitled:

**“AN ACT PROVIDING FOR A COMPREHENSIVE AND RATIONALIZED GRANT OF REWARDS TO INFORMERS FOR THE DISCOVERY OF VIOLATIONS OF INTERNAL REVENUE AND CUSTOMS LAWS”**

be approved in substitution of House Bill Numbered 883, with Representatives Manuel DG. Cabochan III, Joey Sarte Salceda, Eric Go Yap, Kristine Singson-Meehan, Sharon S. Garin, Anthony Peter “Onyx” D. Crisologo, Stella Luz A. Quimbo, Jericho Jonas B. Nograles, Sergio C. Dagooc, Estrellita B. Suansing, Cheryl P. Deloso-Montalla, Horacio P. Suansing Jr., Alyssa Sheena P. Tan, Virgilio S. Lacson, Mark O. Go, Adriano A. Ebcas, Rozzano Rufino B. Biazon, Deogracias Victor “DV” B. Savellano, Vicente “Ching” S. E. Veloso III, Carlito S. Marquez, Aurelio “Dong” D. Gonzales Jr., Jose “Ping-Ping” I. Tejada, Joselito “Joel” S. Sacdalan, Lord Allan Jay Q. Velasco, Teodorico T. Haresco Jr., Micaela S. Violago,

Rico B. Geron, Joy Myra S. Tambunting, Rose Marie "Baby" J. Arenas, Arnie B. Fuentebella, Evelina G. Escudero, Raneo "Ranie" E. Abu, Jumel Anthony I. Espino, Joaquin M. Chipeco Jr., Michael L. Romero, Wilton "Tonton" Tan Kho, Jose "Jun" L. Ong Jr., Strike B. Revilla, Tyrone D. Agabas, Juan Miguel Macapagal Arroyo, Carlos Isagani T. Zarate, Elenita Milagros "Eileen" Ermita-Buhain, Lorna P. Bautista-Bandigan, Peter John D. Calderon, Junie E. Cua, Luisa Lloren Cuaresma, Manuel Jose "Mannix" M. Dalipe, Paul Ruiz Daza, Rudys Caesar G. Fariñas I, Jose Enrique "Joet" S. Garcia III, Greg G. Gasataya, Ed Christopher S. Go, Ruwel Peter S. Gonzaga, Sandro L. Gonzalez, Jocelyn Sy Limkaichong, Allan Benedict S. Reyes, Manuel T. Sagarbarria, David "Jay-Jay" C. Suarez, Manuel F. Zubiri, Cyrille "Beng" F. Abueg-Zaldivar, Julienne "Jam" L. Baronda, Francisco "Kiko" B. Benitez, Ph.D., Gabriel H. Bordado, Jr., Narciso R. Bravo, Jr., Argel Joseph T. Cabatbat, Carl Nicolas C. Cari, Maximo Y. Dalog, Jr., Abdullah D. Dimaporo, Mohamad Khalid Q. Dimaporo, Eduardo "Eddie" R. Gullas, Ann K. Hofer, Glona G. Labadlabad, Edward Vera Perez Maceda, Dale "Along" R. Malapitan, Mario Vittorio "Marvey" A. Mariño, Maricel G. Natividad-Nagaño, M.D., Ma. Lucille L. Nava, M.D., Emmarie "Lolypop" M. Ouano-Dizon, Angelina "Helen" D.L. Tan, M.D., John Reynald M. Tiangco, Kristine Alexie B. Tutor, Rosanna "Ria" V. Vergara, John Marvin "Yul Servo" C. Nieto, Rodolfo M. Ordanes, Romulo "Kid" V. Peña, Jr., Florida "Rida" P. Robes, Roman T. Romulo, and Allan U. Ty as authors thereof.

Respectfully submitted,



**REP. ERIC GO YAP**  
Chairperson  
Committee on Appropriations



**REP. JOEY SARTE SALCEDA**  
Chairperson  
Committee on Ways and Means

**THE HONORABLE SPEAKER**  
HOUSE OF REPRESENTATIVES  
QUEZON CITY

Republic of the Philippines  
**HOUSE OF REPRESENTATIVES**  
Quezon City, Metro Manila

**EIGHTEENTH CONGRESS**  
Second Regular Session

**HOUSE BILL NO. 9306**

(in substitution of House Bill Number 883)

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Introduced by Representatives Manuel DG. Cabochan III, Joey Sarte Salceda, Eric Go Yap, Kristine Singson-Meehan, Sharon S. Garin, Anthony Peter “Onyx” D. Crisologo, Stella Luz A. Quimbo, Jericho Jonas B. Nograles, Sergio C. Dagooc, Estrellita B. Suansing, Cheryl P. Deloso-Montalla, Horacio P. Suansing Jr., Alyssa Sheena P. Tan, Virgilio S. Lacson, Mark O. Go, Adriano A. Ebcas, Rozzano Rufino B. Biazon, Deogracias Victor “DV” B. Savellano, Vicente “Ching” S.E. Veloso III, Carlito S. Marquez, Aurelio “Dong” D. Gonzales Jr., Jose “Ping-Ping” I. Tejada, Joselito “Joel” S. Sacdalan, Lord Allan Jay Q. Velasco, Teodorico T. Haresco Jr., Micaela S. Violago, Rico B. Geron, Joy Myra S. Tambunting, Rose Marie “Baby” J. Arenas, Arnie B. Fuentesbella, Evelina G. Escudero, Raneo “Ranie” E. Abu, Jumel Anthony I. Espino, Joaquin M. Chipeco Jr., Michael L. Romero, Wilton “Tonton” Tan Kho, Jose “Jun” L. Ong Jr., Strike B. Revilla, Tyrone D. Agabas, Juan Miguel Macapagal Arroyo, Carlos Isagani T. Zarate, Elenita Milagros "Eileen" Ermita-Buhain, Lorna P. Bautista-Bandigan, Peter John D. Calderon, Junie E. Cua, Luisa Lloren Cuaresma, Manuel Jose “Mannix” M. Dalipe, Paul Ruiz Daza, Rudys Caesar G. Fariñas I, Jose Enrique "Joet" S. Garcia III, Greg G. Gasataya, Ed Christopher S. Go, Ruwel Peter S. Gonzaga, Sandro L. Gonzalez, Jocelyn Sy Limkaichong, Allan Benedict S. Reyes, Manuel T. Sagarbarria, David "Jay-Jay" C. Suarez, Manuel F. Zubiri, Cyrille "Beng" F. Abueg-Zaldivar, Julianne "Jam" L. Baronda, Francisco "Kiko" B. Benitez, Ph.D., Gabriel H. Bordado, Jr., Narciso R. Bravo, Jr., Argel Joseph T. Cabatbat, Carl Nicolas C. Cari, Maximo Y. Dalog, Jr., Abdullah D. Dimaporo, Mohamad Khalid Q. Dimaporo, Eduardo "Eddie" R. Gullas, Ann K. Hofer, Glona G. Labadlabad, Edward Vera Perez Maceda, Dale "Along" R. Malapitan, Mario Vittorio "Marvey" A. Mariño, Maricel G. Natividad-Nagaño, M.D., Ma. Lucille L. Nava, M.D., Emmarie "Lolypop" M. Ouano-Dizon, Angelina "Helen" D.L. Tan, M.D., John Reynald M. Tiangco, Kristine Alexie B. Tutor, Rosanna “Ria” V. Vergara, John Marvin "Yul Servo" C. Nieto, Rodolfo M. Ordanes, Romulo "Kid" V. Peña, Jr., Florida "Rida" P. Robes, Roman T. Romulo, and Allan U. Ty

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**AN ACT**  
**PROVIDING FOR A COMPREHENSIVE AND RATIONALIZED GRANT OF**  
**REWARDS TO INFORMERS FOR THE DISCOVERY OF VIOLATIONS OF**  
**INTERNAL REVENUE AND CUSTOMS LAWS**

*Be it enacted by the Senate and the House of Representatives of the Philippines in Congress assembled:*

1           SECTION 1. *Informer's Reward for the Discovery of Violations of the National*  
2 *Internal Revenue Code.* – Any person, except an internal revenue official or employee, or any  
3 public official or employee or said official's or employee's relative within the third degree of  
4 consanguinity or affinity, who voluntarily gives definite and sworn information, not yet in the  
5 possession of the Bureau of Internal Revenue (BIR), stating facts personally known to the  
6 informer, leading to the discovery of fraud related to internal revenue laws or violations of any  
7 of the provisions thereof, thereby resulting in the recovery of revenues, surcharges and fees,  
8 and/or the conviction of the guilty party and/or the imposition of any of the fine or penalty,  
9 shall be rewarded in a sum equivalent to ten percent (10%) of the revenues, surcharges or fees  
10 recovered and/or fine or penalty imposed and collected or Ten million pesos (₱10,000,000.00)  
11 per case, whichever is lower.

12           The same amount of reward shall also be given to informers in cases where the violator  
13 has offered to compromise the violation of law committed and the offer has been accepted by  
14 the Commissioner on Internal Revenue and in such case, the reward shall be ten percent (10%)  
15 or Ten million pesos (₱10,000,000.00), whichever is lower, of the amount agreed upon in the  
16 compromise and actually collected from the violator.

17           SEC. 2. *Informer's Reward for Discovery and Seizure of Smuggled Goods.* – Any  
18 person, except a customs official or employee, or any public official or employee or said  
19 official's or employee's relative within the third degree of consanguinity or affinity, who  
20 voluntarily gives definite and sworn information, not yet in the possession of the Bureau of  
21 Customs (BOC), stating facts personally known to the informer leading to the discovery and  
22 seizure of smuggled goods shall be rewarded in an amount equivalent to twenty percent (20%)  
23 of the actual proceeds of the sale of such smuggled and confiscated goods, or of the actual  
24 collection of additional revenues or surcharges or fees recovered and/or fine or penalty imposed  
25 and collected or Ten million pesos (₱10,000,000.00), whichever is lower.

1           SEC. 3. *Non-payment of Informer's Reward.* – The informer shall not be entitled to a  
2 reward if no additional revenue, surcharge or fee and/or fine or penalty is actually recovered  
3 or collected in accordance with Sections (1) and (2) of this Act, or if the information obtained  
4 refers to a case already pending or previously investigated or examined by the Commissioner  
5 of Internal Revenue or the Commissioner of Customs, or any of their deputies, agents or  
6 examiners, as the case may be.

7           The provisions of Sections (1) and (2) notwithstanding, all public officials, whether  
8 incumbent, retired or separated from service, who acquired the information in the course of the  
9 performance of their duties during their incumbency, are prohibited from claiming the  
10 informer's reward.

11           SEC. 4. *Filing and Claiming of Rewards.* – Applications for rewards granted under  
12 this Act shall be filed by the informer with the Office of the Commissioner of Internal Revenue  
13 or the Commissioner of Customs, as the case may be, who shall approve of the same. Rewards  
14 granted herein amounting to more than One million pesos (₱1,000,000.00) shall, upon the  
15 approval of the reward, be automatically reviewed by the Secretary of Finance. In both cases,  
16 the rewards granted shall be paid to the informer only after revenues, surcharges or fees and/or  
17 fine or penalty are actually recovered or collected in accordance with law, and after all reports  
18 and documents required for the evaluation and approval of the claim for informer's reward,  
19 including the endorsement by the Commissioner of Internal Revenue or the Commissioner of  
20 Customs, as the case may be, shall have been submitted to the Department of Finance (DOF)  
21 in appropriate cases.

22           In all instances, a definite and sworn information given for the purpose of claiming the  
23 reward shall be filed personally by the person having such information, prohibiting  
24 representation by any other person, organization, or any other similar group facilitating  
25 rewards.

1           SEC. 5. *Rewards Payable from Proceeds.* – The reward authorized under this Act shall  
2 be paid out of revenues, surcharges or fees and/or fine or penalty actually recovered or collected  
3 and accounted for in accordance with law as a result of the information furnished by the  
4 informer and in accordance with the rules and regulations issued by the Secretary of Finance.

5           The rewards of the informers shall be subject to income tax, collected as a final  
6 withholding tax, at the rate of twenty percent (20%).

7           SEC. 6. *Confidentiality of Informer's Identity; Penalties for Unauthorized*  
8 *Disclosure.* – It shall be unlawful for any official or employee of the BIR, the BOC, or the  
9 DOF to disclose or reveal the name of any informer. The identity of the informer shall not be  
10 revealed except:

11           (a) When the informer has given written consent; or

12           (b) When the information that the informer provided is proven to be malicious or false.

13           Any provision of general or special law to the contrary notwithstanding, disclosure of  
14 such confidential information shall be punished by a fine of not less than Five hundred thousand  
15 pesos ((₱500,000.00) but not more than One million pesos (₱1,000,000.00), and imprisonment  
16 of not less than ten (10) years but not more than fifteen (15) years. The offender shall likewise  
17 suffer an additional penalty of perpetual disqualification to hold public office, to vote and to  
18 participate in any public election.

19           SEC. 7. *Action in Cases Involving False or Malicious Information.* – If the  
20 information provided by the informer later turns out to be false or has been made only for the  
21 purpose of harassing, molesting or in any way prejudicing the person so denounced, the person  
22 so denounced is entitled to take criminal or civil action as the facts may warrant.

23           Any application which may be found unwarranted based on law or jurisprudence, or  
24 which contains false facts, may be denied for malicious filing and without prejudice to any

1 action, civil or criminal, against the informer. Any application that is denied for malicious filing  
2 or misrepresentation may not be refiled.

3 SEC. 8. ***Appropriations.*** – All proceeds resulting from the recovery of revenues,  
4 surcharges, fees, and/or imposition of fine or penalty, and/or from the sale of smuggled and  
5 confiscated goods, shall automatically be appropriated as follows:

6 (a) Ten percent (10%) shall be allocated and used as informer’s reward in accordance  
7 with Section 1 hereof and ninety percent (90%) shall be remitted to the General Fund; and

8 (b) Twenty percent (20%) shall be allocated and used as informer’s reward in  
9 accordance with Section 2 hereof and eighty percent (80%) shall be remitted to the General  
10 Fund.

11 The informer’s rewards shall be deposited with the National Treasury and recorded as  
12 trust receipts in accordance with E.O. No. 338, s. 1996.

13 SEC. 9. ***Implementing Rules and Regulations.*** – Within thirty (30) days from the  
14 approval of this Act, the Secretary of Finance shall, upon the recommendation of the  
15 Commissioner of Internal Revenue and the Commissioner of Customs, promulgate the  
16 necessary rules and regulations for the effective implementation of this Act.

17 SEC. 10. ***Repealing Clause.*** – The following are hereby repealed:

18 (a) Section 282 of Republic Act No. 8424, otherwise known as the “*Tax Reform Act of*  
19 *1997;*”

20 (b) Section 1512 of Republic Act No. 10863, otherwise known as the “*Customs*  
21 *Modernization and Tariff Act;*” and

22 (c) Republic Act No. 2338, as amended, entitled “*An Act to Provide for Reward to*  
23 *Informers of Violations of the Internal Revenue and Customs Laws.*”

1 All laws, decrees, executive orders, issuances and rules and regulations or parts thereof  
2 that are contrary to and inconsistent with any provision of this Act are hereby repealed,  
3 amended or modified accordingly.

4 SEC. 11. **Effectivity.** This Act shall take effect fifteen (15) days after its publication in  
5 the *Official Gazette* or in a newspaper of general circulation.

6 Approved,



**House of Representatives**  
**Committee Affairs Department**

FACT SHEET

House Bill No. **9306**

(In substitution of House Bill No. 883)

**AN ACT PROVIDING FOR A COMPREHENSIVE AND  
RATIONALIZED GRANT OF REWARDS TO INFORMERS FOR THE  
DISCOVERY OF VIOLATIONS OF INTERNAL REVENUE AND  
CUSTOMS LAWS**

*Introduced by:* REPRESENTATIVES MANUEL DG. CABOCHAN III, JOEY SARTE SALCEDA, ERIC GO YAP, KRISTINE SINGSON-MEEHAN, SHARON S. GARIN, ANTHONY PETER "ONYX" D. CRISOLOGO, STELLA LUZ A. QUIMBO, JERICHO JONAS B. NOGRALES, SERGIO C. DAGOOC, ESTRELLITA B. SUANSING, CHERYL P. DELOSO-MONTALLA, HORACIO P. SUANSING JR., ALYSSA SHEENA P. TAN, VIRGILIO S. LACSON, MARK O. GO, ADRIANO A. EBCAS, ROZZANO RUFINO B. BIAZON, DEOGRACIAS VICTOR "DV" B. SAVELLANO, VICENTE "CHING" S.E. VELOSO III, CARLITO S. MARQUEZ, AURELIO "DONG" D. GONZALES JR., JOSE "PING-PING" I. TEJADA, JOSELITO "JOEL" S. SACDALAN, LORD ALLAN JAY Q. VELASCO, TEODORICO T. HARESCO JR., MICAELA S. VIOLAGO, RICO B. GERON, JOY MYRA S. TAMBUNTING, ROSE MARIE "BABY" J. ARENAS, ARNIE B. FUENTEBELLA, EVELINA G. ESCUDERO, RANEO "RANIE" E. ABU, JUMEL ANTHONY I. ESPINO, JOAQUIN M. CHIPECO JR., MICHAEL L. ROMERO, WILTON "TONTON" TAN KHO, JOSE "JUN" L. ONG JR., STRIKE B. REVILLA, TYRONE D. AGABAS, JUAN MIGUEL MACAPAGAL ARROYO, CARLOS ISAGANI T. ZARATE, ELENITA MILAGROS "EILEEN" ERMITA-BUHAIN, LORNA P. BAUTISTA-BANDIGAN, PETER JOHN D. CALDERON, JUNIE E. CUA, LUISA LLOREN CUARESMA, MANUEL JOSE "MANNIX" M. DALIPE, PAUL RUIZ DAZA, RUDYS CAESAR G. FARIÑAS I, JOSE ENRIQUE "JOET" S. GARCIA III, GREG G. GASATAYA, ED CHRISTOPER S. GO, RUWEL PETER S. GONZAGA, SANDRO L. GONZALEZ, JOCELYN SY LIMKAICHONG, ALLAN BENEDICT S. REYES, MANUEL T. SAGARBARRIA, DAVID "JAY-JAY" C. SUAREZ, MANUEL F. ZUBIRI, CYRILLE "BENG" F. ABUEG-ZALDIVAR, JULIENNE "JAM" L. BARONDA, FRANCISCO "KIKO" B. BENITEZ, PH.D., GABRIEL H. BORDADO, JR., NARCISO R. BRAVO, JR., ARGEL JOSEPH T. CABATBAT, CARL NICOLAS C. CARI, MAXIMO Y. DALOG, JR., ABDULLAH D. DIMAPORO, MOHAMAD KHALID Q. DIMAPORO, EDUARDO "EDDIE" R. GULLAS, ANN K. HOFER, GLONA G. LABADLABAD, EDWARD VERA PEREZ MACEDA, DALE "ALONG" R. MALAPITAN, MARIO VITTORIO "MARVEY" A. MARIÑO, MARICEL G. NATIVIDAD-NAGAÑO, M.D., MA. LUCILLE L. NAVA, M.D., EMMARIE "LOLYPOP" M. OUANO-DIZON, ANGELINA "HELEN" D.L. TAN, M.D., JOHN REYNALD M. TIANGCO, KRISTINE ALEXIE B. TUTOR, ROSANNA "RIA" V. VERGARA, JOHN MARVIN "YUL SERVO" C. NIETO, RODOLFO M. ORDANES, ROMULO "KID" V. PEÑA, JR., FLORIDA "RIDA" P. ROBES, ROMAN T. ROMULO, AND ALLAN U. TY

Committee Referral: **COMMITTEE ON WAYS AND MEANS**

Committee Chairperson: **HON. JOEY SARTE SALCEDA**

## OBJECTIVE:

To consolidate the laws granting rewards to informers of violations of internal revenue and customs laws

## KEY PROVISIONS:

- Grants rewards to informers as follows:

Type of Reward:	Reward (whichever is lower):	
Reward to an informer for information that leads to the discovery of fraud related to internal revenue laws	Ten percent (10%) of revenues, surcharges, or fees recovered and/or fine or penalty imposed and collected	Ten Million Pesos (₱10,000,000.00)
Reward to an informer where the violator offered to compromise the violation of law committed by him and his offer has been accepted by the Commissioner of Internal Revenue	Ten percent (10%) of the amount agreed upon in the compromise and actually collected from the violator	Ten Million Pesos (₱10,000,000.00)
Reward to an informer for information instrumental in the discovery and seizure of smuggled goods	Twenty percent (20%) of the actual proceeds from the sale of smuggled goods and confiscated goods or actual collection of additional revenues, surcharges, or fees recovered and/or fine or penalty imposed and collected	Ten Million Pesos (₱10,000,000.00)

- Excludes from persons who can be considered informers all public officials or employees – whether incumbent, retired, or separated from service, and said officials' or employees' relative within the third degree of consanguinity or affinity;
- Requires that information obtained from an informer must lead to the actual recovery or collection of additional revenue, surcharge, or fee and/or fine or penalty to be eligible for payment of informer's reward;
- Provides that applications for informer's rewards shall be filed by the informer with the Office of the Commissioner of Internal Revenue or the Commissioner of Customs, as the case maybe, subject to the automatic review of the

Secretary of Finance should the reward to be granted amounts to more than One million pesos (Php1,000,000.00);

- Provides that payment of rewards to informers shall only be given after revenues, surcharges, or fees and/or fine or penalty have been recovered or collected in accordance with law, and after all reports and documents required for the evaluation and approval of the claim for informer's reward have been submitted to the Department of Finance;
- Penalizes unauthorized disclosure of confidential information such as the identity of the informer;
- Entitles an individual to file civil or criminal action against the informer should the information provided turns out to be false or has been made only to harass, molest, or in any way prejudice said individual; and
- Automatically appropriates the proceeds from the recovery of revenues, surcharges, and fees and/or the imposition of fine or penalty, or from the sale of smuggled and confiscated goods as follows:

Violations under:	Informer's reward	General Fund
Section 1	10%	90%
Section 2	20%	80%

**RELATED LAWS:**

1. Republic Act No. 8424, otherwise known as the National Internal Revenue Code (NIRC) of 1997;
2. Republic Act No. 10863, otherwise known as the Customs Modernization and Tariff Act (CMTA); and
3. Republic Act No. 2338, entitled, "An Act to Provide for Reward to Informers of Violations of the Internal Revenue and Customs Laws, As Amended"