

[REPUBLIC ACT NO. 2338, June 19, 1959]

AN ACT TO PROVIDE FOR REWARD TO INFORMERS OF VIOLATIONS OF THE INTERNAL REVENUE AND CUSTOMS LAWS.

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

SECTION 1. Any person, except an internal revenue or customs official or employee, or other public officials, or his relative within the sixth degree of consanguinity, who voluntarily gives definite and sworn information, stating the facts constituting as grounds for such information not yet in the possession of the Bureau of Internal Revenue or the Bureau of Customs, leading to the discovery of frauds upon the internal revenue or customs laws, or violations of any of the provisions thereof, thereby resulting in the recovery of revenues, surcharges and fees and/or conviction of the guilty party and/or the imposition of any fine or penalty shall be rewarded in a sum equivalent twenty-five *per centum* of the revenues, surcharges or fees recovered and/or fine or penalty imposed and collected. The same amount of reward shall also be given to Informer or informers where the violator has offered to compromise the violation of law committed by him and his offer has been accepted by the Commissioner of Internal Revenue or the Commissioner of Customs, as the case may be, and in such a case the twenty-five *per centum* reward fixed herein shall be based on the amount agreed in the compromise and collected from the violator: *Provided*, That should no revenue surcharges or fees be actually recovered or collected, such persons should not be entitled to a reward: *Provided, further*, That the information required herein shall not refer to a case already pending or previously investigated or examined by the Commissioner of Internal Revenue or the Commissioner of Customs, or any of their deputies, agents or examiners, as the case may be, or the Secretary of Finance or any of his deputies or agents: *Provided, finally*, That the reward provided herein shall be paid under regulations issued jointly by the Commissioners of Internal Revenue and Customs with the approval of the Secretary of Finance, and that the determination of the degree of relationship between the Internal Revenue or Customs official or employee and the informer shall be left not only to the Commissioner of Internal Revenue or the Commissioner of Customs, as the case may be, but should be jointly made by such official and the Solicitor General.

The reward herein authorized shall be paid out of revenues, surcharges, compromises, and penalties established by law, collected and accounted for as a result of the information furnished by the informer.

SEC. 2. Should the information later turn out or be proved to be false or to have been made only for the purpose of harassing, molesting or in any way prejudicing the person so denounced, the person so denounced shall be entitled to any action, criminal or civil, as the facts may warrant: *Provided*, That the identity of the informer shall not be revealed except when the information is proven to be