REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

EN BANC

COMMISSIONER OF INTERNAL REVENUE, *Petitioner,*	**CTA *EB* NO. 1954** (CTA Case No. 9022)
-versus-	Present: **DEL ROSARIO,** *P.J.,* **CASTAÑEDA, JR., UY, RINGPIS-LIBAN, MANAHAN, BACORRO-VILLENA,** *and* **MODESTO-SAN PEDRO,** *JJ.*
NEW YORK BAY PHILIPPINES, INC., *Respondent.*	Promulgated: DEC 15 2020 3:w pm

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RESOLUTION

MANAHAN, J.:

This resolves the *Motion for Reconsideration* [1] filed by petitioner Commissioner of Internal Revenue (CIR) on July 21, 2020, with *Comment/Opposition (Re: Petitioner's Motion for Reconsideration dated July 21, 2020)* filed by respondent New York Bay Philippines, Inc. (New York Bay) on September 23, 2020.

The CIR assails the Court *En Banc*'s Decision dated June 30, 2020, which ruled as follows:

> Considering that no valid motion for reconsideration was filed, the Decision dated March 26, 2018 in CTA Case No. 9022 has become final and no longer reviewable on appeal. Thus, we will no longer discuss the other issues raised by the CIR.
>
> **WHEREFORE**, the Petition for Review is **DENIED** for lack of merit.

[1] *Rollo*, pp. 137-143.

SO ORDERED.[2]

In his *Motion*, the CIR argues that the Court *En Banc* erred in denying the Petition for Review on procedural infirmity and states that the Supreme Court has relaxed procedural rules when a rigid application of these rules only hinders substantial justice. The CIR argues that the procedural consequence of the delay in filing its motion for reconsideration before the Court in Division is incommensurate to the grave and irreparable injury which the government may suffer. Petitioner further states that the Supreme Court has held that heavy workload, which is relative and often self-serving, ought to be coupled with more compelling reasons such as illness of counsel or other emergencies. In the instant case, it may be that the former handling counsel failed to attach proof of her illness at the time she filed the motion for reconsideration before the Court in Division, but she should have been given the benefit of the doubt. For it its highly unlikely that a person, more so a lawyer, would feign sickness of a severe kind and take the risk of facing a disciplinary action should the court require him or her to present medical proof of such illness.

In its *Comment/Opposition*, New York Bay states that the Court *En Banc* did not err in holding that the right to appeal remains to be a mere statutory privilege that may be exercised only in the manner and in accordance with the provisions of the law. The reasons cited by the CIR for his failure to timely file his motion for reconsideration do not warrant the liberal application of the rules. Further, there being no timely Motion for Reconsideration of the Court in Division's Decision, the same had already attained finality and is no longer the proper subject of an appeal.

We deny the *Motion for Reconsideration.*

It is settled that "judgments or orders become final and executory by operation of law and not by judicial declaration. The finality of a judgment becomes a fact upon the lapse of the reglementary period of appeal if no appeal is perfected or no motion for reconsideration or new trial is filed. The court need

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[2] *Rollo*, Decision dated June 30, 2020, p. 129.

not even pronounce the finality of the order as the same becomes final by operation of law."[3]

In the instant case, the CIR admits the belated filing of his Motion for Reconsideration since the Division Decision was received on April 4, 2018, but his Motion for Reconsideration was filed only on April 25, 2018, which is beyond the 15-day period for filing such motion.

By operation of law, the Court in Division's Decision dated March 26, 2018 has become final.

The CIR's reason that the delay in filing the motion was because of the handling counsel's illness which was exacerbated by the heavy volume of work, does not merit a resort to liberal application or suspension of the procedural rules. Again, there was no evidence to show counsel's alleged illness for the duration of the 15-day period which prevented the timely filing of the CIR's motion for reconsideration, and neither is heavy workload a valid excuse, lest it be invoked by any law practitioner who failed to meet his deadline.

> While procedural rules may be relaxed in the interest of justice, it is well-settled that these are tools designed to facilitate the adjudication of cases. The relaxation of procedural rules in the interest of justice was never intended to be a license for erring litigants to violate the rules with impunity. Liberality in the interpretation and application of the rules can be invoked only in proper cases and under justifiable causes and circumstances. While litigation is not a game of technicalities, every case must be prosecuted in accordance with the prescribed procedure to ensure an orderly and speedy administration of justice.[4]

Based on the foregoing, the Court *En Banc* finds no reason to reverse its findings.

WHEREFORE, the *Motion for Reconsideration* is **DENIED** for lack of merit.

SO ORDERED.

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[3] *People of the Philippines v. Benedicta Mallari and Chi Wei-Neng*, G.R. No. 197164, December 4, 2019, citing *Philippine Savings Bank v. Papa*, G.R. No. 236573, August 14, 2018.
[4] *Romulo J. Marohomsalic v. Reynaldo D. Cole*, G.R. No. 169918, February 27, 2008.

CATHERINE T. MANAHAN
Associate Justice

WE CONCUR:

ROMAN G. DEL ROSARIO
Presiding Justice

(On Leave)
JUANITO C. CASTAÑEDA, JR.
Associate Justice

ERLINDA P. UY
Associate Justice

(On Leave)
MA. BELEN M. RINGPIS-LIBAN
Associate Justice

JEAN MARIE A. BACORRO-VILLENA
Associate Justice

MARIA ROWENA MODESTO-SAN PEDRO
Associate Justice