REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
Quezon City

SECOND DIVISION

SNOWY OWL ENERGY, INC.,
Petitioner,

- versus -

COMMISSIONER OF INTERNAL REVENUE,
Respondent.

CTA CASE NO. 9618

Members:

CASTAÑEDA, JR., *Chairperson, and*
BACORRO-VILLENA, *JJ.*

Promulgated:
JUL 28 2021
9:05 a.m.

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RESOLUTION

BACORRO-VILLENA, J.:

For the Court's resolution is respondent's "Motion to Admit Attached Motion for Reconsideration [**MR**]", filed on 24 May 2021, with petitioner's "Opposition (To Respondent's Motion to Admit Attached [MR] and [MR] of Decision Dated 03 March 2021)", filed on 22 June 2021.

According to respondent, he received the Notice of Decision from the Court on 08 March 2021. Immediately, he delegated its review and the execution of the necessary remedies to the handling lawyer, Atty. Juffali A. Abdullah (**Atty. Abdullah**) on 09 March 2021. Unfortunately, the latter contracted the COVID-19 virus and went on quarantine from 09 March 2021 to 26 March 2021. While on the quarantine, Atty. Abdullah had no access to the records relative to the instant case and thus failed to file the MR within the prescribed period.

Respondent adds that the Supreme Court also issued Administrative Circular (**AC**) No. 14-2021 on 28 March 2021. As a result, the filing periods of pleadings and other court submissions that fall due during the period from 29 March 2021 to 31 March 2021 have been extended for three (3) calendar days, counted from 05 April 2021. Owing to the extension given, respondent prays for the Court to grant his motion and the attached MR be admitted and be given due course.

In refutation, petitioner emphasizes that the doctrine of immutability of judgments bars the courts from modifying decisions that have already attained finality, even if the purpose of the modification is to correct errors. According to petitioner, respondent filed his MR seventy-four (74) days after it received the Notice of Decision on 08 March 2021. Counting fifteen (15) days therefrom, the Decision dated 03 March 2021 had necessarily become final and executory on 24 March 2021.

As regards the claim that the handling lawyer was infected with the COVID-19 virus, petitioner argues that Atty. Abdullah could not have been the only lawyer who could have prepared and filed the MR. According to petitioner, respondent is also represented by the Office of the Solicitor General (**OSG**) and other counsels from within the Bureau of Internal Revenue (**BIR**) who could have pursued the MR on his behalf.

Lastly, petitioner posits that respondent cannot rely on Supreme Court AC No. 14-2021 dated 28 March 2021 because the same was issued after the lapse of the 15-day period to file the MR.

We resolve.

After considering the parties' contrasting arguments, the Court finds no merit in respondent's arguments.

The records show that respondent is represented not only by Atty. Abdullah but also by the OSG and Attys. Oscar A. Aguilar and Alvin N. Sto. Domingo (from BIR-Revenue Region 7B). Notwithstanding, respondent did not promptly avail of the remedies available to it. He also did not proffer any explanation as to why the other lawyers representing him could not do what Atty. Abdullah could have done under the situation.

Section 1 of Rule 15 of the Revised Rules of the Court of Tax Appeals (**RRCTA**) on *Motion for Reconsideration or New Trial* reads:

> ...
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> Section 1. *Who may and when to file motion.* – Any aggrieved party may seek a reconsideration or new trial of any decision, resolution or order of the Court. He shall file a motion for reconsideration or new trial within fifteen days from the date he received notice of the decision, resolution or order of the Court in question.
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> ...

Having thus received the Decision on 08 March 2021, respondent had only until 23 March 2021 within which to file his MR.

Verily, the timely filing of the MR within the 15-day reglementary period is crucial to prevent the 03 March 2021 Decision from attaining finality. Such period is non-extendible and failing to question an order or decision within the period prescribed by law renders the order or decision final and binding.[1]

We emphasize and reiterate that rules of procedure must be faithfully complied with and cannot be based solely on the claim of substantial merit. Rules prescribing the time to do specific acts or to undertake certain proceedings are considered absolutely indispensable to prevent needless delays and to the orderly and prompt discharge of judicial business. By their very nature, these rules are mandatory.[2]

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. We must stress that the bare invocation of "the interest of substantial justice" is not a magic wand

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1 *Deogracia Valderrama v. People of the Philippines, et al.*, G.R. No. 220054, 27 March 2017.
2 *Barrio Fiesta Restaurant, et al. v. Helen C. Beronia*, G.R. No. 206690, 11 July 2016.

that will automatically compel this Court to suspend procedural rules.[3] Thus, with respondent's failure to file the MR within the prescribed period, he already lost his right to appeal. Consequently, the Decision dated 03 March 2021 became final and executory.

Lastly, while the Court commiserates with Atty. Abdullah's condition, the Court could not condone the fatal lapse that respondent committed absent any clear and justifiable ground to do so.

WHEREFORE, premises considered, respondent's "Motion to Admit Attached Motion for Reconsideration" is **DENIED** for lack of merit. The Decision dated 03 March 2021 has become final and executory.

Accordingly, let an **ENTRY OF JUDGMENT** be issued in this case. The Clerk of Court is **DIRECTED** to forthwith **ENTER** the Decision dated 03 March 2021 in the Book of Entries of Judgments.

SO ORDERED.

JEAN MARIE A. BACORRO-VILLENA
Associate Justice

I CONCUR:

Juanito C. Castañeda, Jr.
JUANITO C. CASTAÑEDA, JR.
Associate Justice

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3 Supra at note 1.