REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

First Division

MAGNUM AIR (SKYJET), INC., *Petitioner,*

-*versus*-

COMMISSIONER OF CUSTOMS, *Respondent.*

CTA Case No. 9927

Members:

DEL ROSARIO, *P.J., Chairperson,* *and*
MANAHAN, *JJ.*

Promulgated:

JAN 27 2021 2:39 pm

x - x

RESOLUTION

This resolves petitioner's **Motion for Reconsideration (of the Resolution dated 10 June 2020)** filed via email on August 28, 2020 praying for the reversal and setting aside of the Resolution dated June 10, 2020 (Assailed Resolution) and that the parties' Joint Motion for Approval and Judgment on Compromise Agreement be granted.

Both parties contend that Section 1131 of the Customs Modernization and Tariff Act (CMTA),[1] in so far as it provides that cases involving forfeiture proceedings shall not be subject to any compromise, applies only to administrative proceedings before the Bureau of Customs (BOC) and that assuming it applies to judicial proceedings, such provision is unconstitutional for being contrary to the rule-making power of the Supreme Court under Section 5(5), Article VIII of the Constitution.

A review of the parties' Compromise Agreement dated July 5, 2019,[2] which was approved by the Secretary of Finance,[3] shows that petitioner: (i) offered to the government the complete surrender of ownership of the aircraft subject of the present controversy; and, (ii) proposed payment of twice

[1] Republic Act No. 10863.
[2] Docket, pp. 238-242.
[3] Annex A, respondent's Manifestation and Motion posted on February 19, 2020, unpaginated.

the duties and taxes due it, amounting to Php1,895,043.74, in contrast to the BOC's assessed duty of php1,001,124.00.

On the other hand, a perusal of the Petition for Review filed on September 13, 2018 reveals that petitioner was ultimately praying for the release of the subject aircraft upon payment of duties and taxes, without penalty.

A justiciable controversy involves a definite and concrete dispute touching on the legal relations of the parties who are pitted against each other due to their demanding and conflicting legal interests.[4] **Meanwhile, a case or issue is considered moot and academic when it ceases to present a justiciable controversy by virtue of supervening events, so that an adjudication of the case or a declaration on the issue would be of no practical value or use**. In such instance, there is no actual substantial relief which a petitioner would be entitled to, and which would be negated by the dismissal of the petition. Courts generally decline jurisdiction over such case or dismiss it on the ground of mootness.[5]

In the present case, the execution of the parties' Compromise Agreement is a supervening event that has mooted the relief sought by petitioner in the Petition for Review.

WHEREFORE, premises considered, petitioner's Motion for Reconsideration (of the Resolution dated 10 June 2020) filed via e-mail on August 28, 2020 is **NOTED WITHOUT ACTION**. The Petition for Review filed on September 18, 2018 is considered **MOOT AND ACADEMIC** and accordingly **DISMISSED**, as the relief prayed for therein has been effectively abandoned by petitioner.

SO ORDERED.

ROMAN G. DEL ROSARIO
Presiding Justice

---

[4] *Guingona v. Court of Appeals*, G.R. No. 125532, July 10, 1998.
[5] *Carpio v. CA*, G.R. No. 183102, February 27, 2013, citing *Osmeña III v. Social Security System of the Phiippines*, 559 Phil. 723, 735 (2007).

CATHERINE T. MANAHAN
Associate Justice