REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

SPECIAL FIRST DIVISION

LG ELECTRONICS PHILIPPINES, INC.,
Petitioner,

-versus-

CITY OF PASIG, represented by its Hon. Mayor Soledad C. Eusebio, and CRISPINA V. SALUMBRE, in her capacity as City Treasurer of Pasig, CITY OF DAVAO, represented by the Hon. Mayor Rodrigo R. Duterte, et.al., City Treasurer of Davao City, CITY OF ILOILO, represented by the Hon. Mayor Jerry T. Trenas, et.al., CITY OF DAGUPAN, represented by the Hon. Mayor Benjamin S Lim, et.al., CITY OF CAGAYAN DE ORO, represented by the Hon. Mayor Vicente Y. Ernano, et al.,
Respondents.

CTA AC NO. 250

Members:

DEL ROSARIO, *P.J., Chairperson,*
MANAHAN, *and*
REYES-FAJARDO, *JJ.*

Promulgated:

OCT 05 2023; 1:50PM

x- -x

DECISION

The Petition for Review[1] filed by LG Electronics Philippines, Inc., seeks to reverse and set aside the Decision dated September 16, 2019,[2] and the Order dated January 25, 2021,[3] issued by the Regional Trial Court of Pasig City (Pasig-RTC) – Branch 268, in the consolidated Special Civil Action (SCA) Case Nos. 2642, 2643, 2644 & 2655 (Interpleader), the dispositive portions of which respectively read as follows:

---

[1] Court Docket, pp. 5-39.
[2] RTC Docket – Vol. 4, pp. 1778 to 1807.
[3] RTC Docket – Vol. 4, pp. 1883 to 1889.

Consolidated Decision dated September 16, 2019:

> "**WHEREFORE**, foregoing premises considered, judgement is hereby rendered declaring plaintiff-LG Electronics Phils., Inc. liable to pay defendants LGUs Pasig City, Davao City, Iloilo City, Dagupan City and Cagayan De Oro City, local business taxes based on sales generated by its area offices within their respective territorial jurisdictions.
>
> Plaintiff's claim for refund of all amounts of local business taxes paid to defendant City of Pasig corresponding to the sales generated from its area offices in defendants Davao City, Iloilo City, and Dagupan City for 2003 and first quarter of 2004, as well as in defendant Cagayan De Oro City, for the first quarter of 2004, is hereby denied. No costs.
>
> So ordered."

Order dated January 25, 2021:

> "**WHEREFORE**, premises considered, plaintiff's Motion for Reconsideration (of the Decision dated 16 September 2019) is hereby **DENIED**.
>
> So ordered."

Petitioner further prays that the Court render judgement:

1) declaring that petitioner is entitled to the refund of taxes paid to the City of Pasig should the assailed Decision and Order be affirmed as to the finding that the proper taxing authorities are the cities of Cagayan De Oro, Davao, Iloilo, and Dagupan; and

2) declaring that the period for petitioner to claim for a refund runs from the finality of the Decision relative to the present case.

THE PARTIES

Petitioner LG Electronics Philippines, Inc. is a corporation organized and existing under the laws of the Republic of the Philippines. It is engaged in the distribution of household electrical appliances through authorized dealerships located all over the country. Petitioner's head office is located in Pasig City.[4]

On the other hand, respondent City of Pasig is a local government unit (LGU), with office address at Pasig City Hall Building, Caruncho Avenue, Pasig City.[5]

Respondent City of Cagayan De Oro is an LGU, with office address at Chief Executive Building, Cagayan De Oro City.[6]

Respondent City of Davao is an LGU, with office address at Davao City Hall, City Hall Drive, San Pedro St., Davao City.[7]

Respondent City of Iloilo is an LGU, with office address at Iloilo City Hall Building, De la Rama St., Iloilo City.[8]

Respondent City of Dagupan is an LGU, with office address at City Hall Building Complex, Dagupan City.[9]

THE FACTS

Petitioner's Head Office is located in Pasig City and maintains area offices in the cities of Cagayan De Oro, Davao, Iloilo, and Dagupan.[10] Respondent cities of Cagayan De Oro, Davao, Iloilo, and Dagupan have been assessing and collecting local business taxes (LBT) from petitioner's area offices within their respective territorial jurisdictions and petitioner had been paying LBT to the said cities until taxable year 2002.[11]

In 2002, respondent City of Pasig notified petitioner that it would be assessing LBT on sales generated nationwide, hence, the tax base would include orders placed by petitioner's dealers

---

[4] Par. 6, The Parties, *Petition for Review*, Docket (AC No. 250) – Vol. I, p. 7.
[5] Par. 7, The Parties, *Petition for Review*, Docket (AC No. 250) – Vol. I, p. 7.
[6] Par. 8, The Parties, *Petition for Review*, Docket (AC No. 250) – Vol. I, p. 7.
[7] Par. 9, The Parties, *Petition for Review*, Docket (AC No. 250) – Vol. I, p. 7.
[8] Par. 10, The Parties, *Petition for Review*, Docket (AC No. 250) – Vol. I, p. 8.
[9] Par. 11, The Parties, *Petition for Review*, Docket (AC No. 250) – Vol. I, p. 8.
[10] Par. 12, Statement of Relevant Facts and Antecedent Proceedings, *Petition for Review*, Docket (AC No. 250) – Vol. I, p. 8.
[11] Pars. 13 to 14, Statement of Relevant Facts and Antecedent Proceedings, *Petition for Review*, Docket (AC No. 250) – Vol. I, p. 9. *cm*

through the area offices located in the cities of Cagayan De Oro, Davao, Iloilo, and Dagupan.[12]

Respondent City of Pasig, through its City Treasurer, issued a Certification dated January 16, 2003 stating that petitioner "remains to be 100% taxable on all sales transactions recorded at the city."[13]

Respondent City of Pasig subsequently assessed petitioner with LBT for the year 2003 in the amount of ₱8,955,236.00 based on the alleged total sales generated by petitioner nationwide, including orders placed by its area offices located in the other respondent LGUs. Moreover, respondent City of Pasig informed petitioner that the City of Pasig would not issue and renew its business permit for its Head Office should it fail or refuse to pay the assessment for LBT for the year 2003. Thus, petitioner was compelled to pay respondent City of Pasig the amount of ₱8,955,236.00 representing LBT on sales amounting to ₱1,705,759,239.34 generated nationwide, and which includes orders placed by petitioner's dealers coursed through its area offices located in the cities of Cagayan De Oro, Davao, Iloilo, and Dagupan.[14]

City of Iloilo

In a letter dated June 11, 2003, respondent City of Iloilo refused to issue petitioner a business permit unless petitioner pays the LBT on orders placed by dealers through the area office within its jurisdiction. Petitioner sought the Opinion of the Bureau of Local Government Finance (BLGF) and presented the same to respondent City of Iloilo but the latter reiterated its stance on the matter. Thus, petitioner paid the LBT to the Iloilo City government, in the amount of ₱262,038.82, despite paying LBT on the same orders in Pasig City.[15]

In 2004, respondents City of Pasig and City of Iloilo refused to issue business permits to petitioner unless the

---

[12] Par. 14, Statement of Relevant Facts and Antecedent Proceedings, *Petition for Review*, Docket (AC No. 250) – Vol. I, p. 9.

[13] Par. 15, Statement of Relevant Facts and Antecedent Proceedings, *Petition for Review*, Docket (AC No. 250) – Vol. I, p. 10.

[14] Pars. 15 to 17, Statement of Relevant Facts and Antecedent Proceedings, *Petition for Review*, Docket (AC No. 250) – Vol. I, p. 10.

[15] Par. 20, Statement of Relevant Facts and Antecedent Proceedings, *Petition for Review*, Docket (AC No. 250) – Vol. I, p. 10. cm

assessed business tax for orders placed in petitioner's area office and sales generated nationwide are paid, respectively.[16] Hence, petitioner paid respondent Iloilo City under protest, the amount of ₱57,386.65 corresponding to LBT for the first quarter of taxable year 2004, and paid respondent City of Pasig under protest, the amount of ₱4,111,864.75 for sales generated nationwide.[17]

City of Cagayan de Oro

In 2003, petitioner informed the City Treasurer of Cagayan De Oro City of the City of Pasig's assessment of nationwide LBT, which includes orders placed by petitioner's area office in Cagayan De Oro City. Petitioner also informed the City Treasurer that it will no longer pay LBT to Cagayan De Oro as it will be paying LBT to the City of Pasig instead. The following year, Cagayan de Oro City assessed petitioner for LBT on sale of appliances made in 2003 amounting to ₱25,493.24. Petitioner paid the LBT assessment, in order to secure the issuance of its business permit.[18]

Considering petitioner had already paid LBT in the City of Pasig for its nationwide sales, including those made through the area office in Cagayan De Oro City, petitioner filed with the Office of the Treasurer of Cagayan De Oro a formal request for refund dated February 23, 2004, which was denied by the City Treasurer in a letter dated March 11, 2004.[19]

City of Davao

During petitioner's renewal of business permit for its area office in Davao City in 2003, it offered to pay the local taxes due only on the revenue generated from the operation of its service center as well as the regulatory fees. However, the Office of the City Treasurer refused to recommend the approval of the business permit unless the LBT on orders placed through petitioner's area office in Davao is paid. Hence, respondent City of Davao assessed petitioner for payment of LBT in the amount

---

[16] Pars. 21 to 22, Statement of Relevant Facts and Antecedent Proceedings, *Petition for Review*, Docket (AC No. 250) – Vol. I, pp. 11 to 12.
[17] Par. 22, Statement of Relevant Facts and Antecedent Proceedings, *Petition for Review*, Docket (AC No. 250) – Vol. I, pp. 11 to 12.
[18] Pars. 23-26, Statement of Relevant Facts and Antecedent Proceedings, *Petition for Review*, Docket (AC No. 250) – Vol. I, p. 12.
[19] Pars. 27 to 28, Statement of Relevant Facts and Antecedent Proceedings, *Petition for Review*, Docket (AC No. 250) – Vol. I, p. 13. crn

of ₱106,497.79 for the year 2003, and petitioner paid the same to secure the business permit for its area office.[20] Petitioner thereafter filed a formal letter-protest and claim for refund, which the Office of the Treasurer of City of Davao denied in a letter dated May 28, 2003.[21]

In 2004, respondent City of Davao refused to issue a business permit to petitioner's area office unless it paid the assessment of LBT in the amount of ₱57,604.63 for the first quarter of 2004.[22]

City of Dagupan

In a letter dated January 22, 2004, petitioner requested for the issuance of a business permit for its area office in Dagupan City, which likewise serves as its service center. Since petitioner has already paid the LBT to Pasig City for 2003, including orders placed by its area office in Dagupan City, petitioner offered to pay the LBT due only from the revenue generated in the operation of its service center in Dagupan City.[23]

Respondent City of Dagupan refused to issue a business permit to petitioner unless it pays the LBT on orders placed by its area office in Dagupan City, and issued an assessment notice dated May 15, 2003 for local business tax covering petitioner's alleged sale of appliances within the locality for the year 2003 in the amount of ₱633,431.39.[24]

SCA No. 2642:

On March 22, 2004, petitioner filed a Complaint,[25] which was raffled to Pasig-RTC – Branch 268, and docketed as SCA No. 2642, praying: (1) for both defendants City of Davao and City of Pasig to interplead and litigate their conflicting claims

---

[20] Pars. 29 to 30, Statement of Relevant Facts and Antecedent Proceedings, *Petition for Review*, Docket (AC No. 250) – Vol. I, p. 13.
[21] Par. 30, Statement of Relevant Facts and Antecedent Proceedings, *Petition for Review*, Docket (AC No. 250) – Vol. I, p. 13.
[22] Pars. 31 to 33, Statement of Relevant Facts and Antecedent Proceedings, *Petition for Review*, Docket (AC No. 250) – Vol. I, p. 14.
[23] Par. 34, Statement of Relevant Facts and Antecedent Proceedings, *Petition for Review*, Docket (AC No. 250) – Vol. I, p. 14.
[24] Par. 35, Statement of Relevant Facts and Antecedent Proceedings, *Petition for Review*, Docket (AC No. 250) – Vol. I, pp. 14 to 15.
[25] RTC Docket (Civil Case SCA No. 2642) – Vol. 6 of 9, pp. 2 to 18. cm

between them as to which is legally entitled to assess, impose, and collect business taxes on the sales and orders generated by plaintiff from its area office in City of Davao; (2) an order be issued ordering the deposit by plaintiff to the Court of the business taxes due for the second up to the last quarter of 2004, as well as subsequent LBT which will become due on the sales and orders generated from plaintiff's area office in City of Davao, and considering said deposit as payment made to whomever of the defendants is entitled to the same; (3) for judgment to be rendered ordering defendant City of Davao to pay the plaintiff the total sum of ₱164,102.42, as and by way of refund of the LBT for the year 2003 and first quarter of 2004, in the event that the Court finds that the City of Pasig is entitled to the LBT, and in the alternative, for judgment to be rendered ordering defendant Pasig City to pay plaintiff the LBT paid corresponding to the sales generated from its area office in City of Davao for the year 2003 and the first quarter of 2004, in the amount of ₱508,884.52, as and by way of tax refund; and (4) for judgment to be rendered against all the defendants, ordering them to solidarily pay plaintiff the sum of P500,000.00, as and by way of attorney's fees, and the costs of suit.

On April 26, 2004, petitioner filed a Motion to Consolidate,[26] stating that plaintiff filed similar cases pending before Pasig-RTC – Branch 67, 68, and 153, docketed as SCA Nos. 2643, 2644, and 2655, likewise praying for the issuance of an order requiring defendants City of Iloilo, City of Dagupan, City of Cagayan De Oro and City of Pasig to interplead and litigate their conflicting claims for LBT against the plaintiff and in order to claim from these defendants tax refund for the LBT it paid also for the same taxable period from whomever is adjudged as not entitled to collect LBT. Petitioner alleged that all these cases involve the same causes of action, issues, and identity of party plaintiff and defendant City of Pasig and should be consolidated based on Section 1, Rule 31 of the 1997 Rules of Civil Procedure,[27] and with this branch, having the lower number, SCA Nos. 2643, 2644, and 2655 should be consolidated with SCA No. 2642.

---

[26] RTC Docket (Civil Case SCA No. 2642) – Vol. 6 of 9, pp. 43 to 47.

[27] Section 1. Consolidation – When actions involving a common question of law or fact are pending before the court, it may order a joint hearing or trial of any or all the matters in issue in the actions; it may order all the actions consolidated; and it may make such orders concerning proceedings therein as may tend to avoid unnecessary costs or delay. *cm*

On August 10, 2004, respondent City of Davao filed its Answer,[28] praying that judgment be rendered awarding City of Davao the amounts deposited by plaintiff representing LBT due from the second quarter of 2004 and thereafter, for all sales and orders generated from plaintiff's local area office in City of Davao and for plaintiff to regularly pay defendant City of Davao the subject LBT of all sales and orders generated in its local area in City of Davao. It also prayed that defendant Pasig City be prohibited from further assessing, imposing, and collecting the subject LBT on sales and orders generated by plaintiff in its City of Davao local area office, and interposing the following affirmative defenses: (1) the subject LBT is a valid imposition on the part of City of Davao; (2) all subjects doing business in the City of Davao is taxable under City of Davao Ordinance No. 230; and (3) plaintiff is doing business in the City of Davao, thus, liable to pay the subject local business tax therein.

SCA No. 2643:

On March 22, 2004, petitioner filed a Complaint,[29] which was raffled to Pasig-RTC – Branch 67, and docketed as SCA No. 2643, praying: (1) for both defendants City of Iloilo and City of Pasig to interplead and litigate their conflicting claims between them as to which LGU is legally entitled to assess, impose, and collect business taxes on the sales and orders generated by plaintiff from its area office in Iloilo City; (2) an order be issued ordering the deposit by plaintiff to the Court of the business taxes due for the second up to the last quarter of 2004, as well as subsequent local business taxes which will become due on the sales and orders generated from plaintiff's area office in Iloilo City, and considering said deposit as payment made to whomever of the defendants is entitled to the same; (3) for judgment to be rendered ordering defendant City of Iloilo to pay the plaintiff the total sum of ₱319,425.47, as and by way of refund of the LBT for the year 2003 and first quarter of 2004, in the event that the Court finds that the City of Pasig is entitled to the LBT, in the alternative, for judgment to be rendered ordering defendant City of Pasig to pay plaintiff the LBT paid corresponding to the sales generated from its area office in Iloilo City for the year 2003 and the first quarter of 2004, in the amount of ₱1,102,436.76, as and by way of tax refund; and (4) for judgment be rendered against all the defendants, ordering

---

[28] RTC Docket (Civil Case SCA No. 2642) – Vol. 6 of 9, pp. 98 to 115.
[29] RTC Docket (Civil Case SCA No. 2643) – Vol. 6 of 9, pp. 2 to 15. *cen*

them to solidarily pay plaintiff the sum of P500,000.00, as and by way of attorney's fees, and costs of suit.

On April 19, 2004, petitioner filed a Motion to Consolidate,[30] moving for the consolidation of SCA No. 2643 with SCA No. 2642, now pending before the same Court in Pasig-RTC - Branch 268 because they involve common questions of law and fact pursuant to Section 1, Rule 31 of the 1997 Rules of Civil Procedure.

In the Order dated May 17, 2004,[31] Pasig-RTC - Branch 67 denied the Motion to Consolidate for being premature considering summons had not yet been served on the defendants, hence, had not yet acquired jurisdiction.

Petitioner filed another Motion to Consolidate on August 3, 2004,[32] which RTC-Branch 67 granted in the Order dated June 22, 2004.[33]

On August 3, 2004, respondent Iloilo City filed its Answer,[34] praying that a decision be rendered declaring that the sales office of plaintiff in Iloilo City comes within the purview of a "sales outlet" as defined in Section 150 of Republic Act (RA) No. 7160,[35] and ordering plaintiff to record the sales

---

[30] RTC Docket (Civil Case SCA No. 2643) – Vol. 5 of 9, pp. 46 to 50.
[31] RTC Docket (Civil Case SCA No. 2643) – Vol. 5 of 9, p. 62.
[32] RTC Docket (Civil Case SCA No. 2643) – Vol. 5 of 9, pp. 85 to 88.
[33] RTC Docket (Civil Case SCA No. 2643) – Vol. 5 of 9, p. 92.
[34] RTC Docket (Civil Case SCA No. 2643) – Vol. 5 of 9, pp. 98 to 105.
[35] SECTION 150. Situs of the Tax. – (a) For purposes of collection of the taxes under Section 143 of this Code, manufacturers, assemblers, repackers, brewers, distillers, rectifiers and compounders of liquor, distilled spirits and wines, millers, producers, exporters, wholesalers, distributors, dealers, contractors, banks and other financial institutions, and other businesses, maintaining or operating branch or sales outlet elsewhere shall record the sale in the branch or sales outlet making the sale or transaction, and the tax thereon shall accrue and shall be paid to the municipality where such branch or sales outlet is located. In cases where there is no such branch or sales outlet in the city or municipality where the sale or transaction is made, the sale shall be duly recorded in the principal office and the taxes due shall accrue and shall be paid to such city or municipality.
(b) The following sales allocation shall apply to manufacturers, assemblers, contractors, producers, and exporters with factories, project offices, plants, and plantations in the pursuit of their business:
(1) Thirty percent (30%) of all sales recorded in the principal office shall be taxable by the city or municipality where the principal office is located; and
(2) Seventy percent (70%) of all sales recorded in the principal office shall be taxable by the city or municipality where the factory, project office, plant, or plantation is located.
(c) In case of a plantation located at a place other than the place where the factory is located, said seventy percent (70%) mentioned in subparagraph (b) of subsection (2) above shall be divided as follows:
(1) Sixty percent (60%) to the city or municipality where the factory is located; and

transactions generated therein and to pay the corresponding business taxes to the City of Iloilo and interposing the following affirmative defenses: (1) the complaint should be dismissed for lack of cause of action as there is no record that plaintiff paid defendants under protest and plaintiff failed to comply with the provisions of the Local Government Code of 1991, as amended (LGC),[36] on the procedure to be followed in case of a Protest of Assessment; (2) the sales transactions of plaintiff are perfected in Iloilo City; (3) the City of Iloilo does not have to abide by the mere opinion of the BLGF; (4) the City of Iloilo was merely performing the functions pertaining to its office in assessing and collecting business taxes; (5) plaintiff should be estopped from questioning the authority of Iloilo City to impose business taxes for sales generated in Iloilo City because the payment of the same without protest is admission of its liability; (6) plaintiff should not have been recording its sales generated in Iloilo City in Pasig City; (7) the refusal of the Iloilo City Mayor to issue a business permit is a valid and legal exercise of his discretionary power; (8) plaintiff is not entitled to refund as the taxes were lawfully collected; and (9) the City of Iloilo is not liable for damages to plaintiff because they were in lawful performance of their functions.

SCA No. 2644:

On March 22, 2004, petitioner filed a Complaint,[37] which was raffled to Pasig-RTC – Branch 68, and docketed as SCA No. 2644, praying: (1) for both defendants City of Dagupan and City of Pasig to interplead and litigate their conflicting claims between them as to which is legally entitled to assess, impose, and collect business taxes on the sales and orders generated by plaintiff from its area office in Dagupan City; (2) an order be issued ordering the deposit by plaintiff to the Court of the business taxes due for the second up to the last quarter of 2004, as well as subsequent local business taxes which will become due on the sales and orders generated from plaintiff's area office in Dagupan City, and considering said deposit as payment

---

(2) Forty percent (40%) to the city or municipality where the plantation is located.
(d) In cases where a manufacturer, assembler, producer, exporter or contractor has two (2) or more factories, project offices, plants, or plantations located in different localities, the seventy percent (70%) sales allocation mentioned in subparagraph (b) of subsection (2) above shall be prorated among the localities where the factories, project offices, plants, and plantations are located in proportion to their respective volumes of production during the period for which the tax is due.
(e) The foregoing sales allocation shall be applied irrespective of whether or not sales are made in the locality where the factory, project office, plant, or plantation is located.
[36] Republic Act No. 7160, an Act providing for a Local Government Code of 1991.
[37] RTC Docket (Civil Case SCA No. 2644) – Vol. 7 of 9, pp. 2 to 18.

made to whomever of the defendants is entitled to the same; (3) for judgment to be rendered ordering defendant City of Dagupan to pay the plaintiff the total sum of ₱1,166,902.29, as and by way of refund of the LBT for the year 2003 and first quarter of 2004, in the event that the Court finds that the City of Pasig is entitled to the LBT, in the alternative, for judgment to be rendered ordering defendant Pasig City to pay plaintiff the LBT paid corresponding to the sales generated from its area office in Dagupan City for the year 2003 and the first quarter of 2004, in the amount of ₱1,081,466.39, as and by way of tax refund; and (4) for judgment be rendered against all the defendants, ordering them to solidarily pay plaintiff the sum of P500,000.00, as and by way of attorney's fees, and the costs of suit.

On April 19, 2004, petitioner filed a Motion to Consolidate,[38] moving for the consolidation of SCA No. 2644 with SCA No. 2642, now pending before the same Court in Pasig-RTC – Branch 268 because they involve common questions of law and fact pursuant to Section 1, Rule 31 of the 1997 Rules of Civil Procedure. The Court granted the same in the Order dated June 22, 2004.[39]

On June 22, 2004, respondent filed its Answer,[40] praying that a judgment be rendered directing or ordering plaintiff to segregate and maintain a separate record of all sales transactions received, generated, realized, perfected and consummated within the territorial jurisdiction of Dagupan City and pay the corresponding business taxes pertaining to the same to City of Dagupan and finding plaintiff not entitled to any refund, and interposing the following affirmative defenses: (1) plaintiff acknowledges the right of the City of Dagupan to collect business taxes; (2) both the City of Dagupan and the City of Pasig are clothed with the power to assess and collect business taxes from persons engaged in business within their respective territorial jurisdictions. However, business taxes can be assessed and levied against the plaintiff only up to the extent of the sales or income derived, generated or realized from its business operations from each territorial jurisdiction; (3) plaintiff maintains a branch office or sales outlet in Dagupan City and not merely an area office; and (4) the City of Pasig's collection of business taxes from outside its territorial

---

[38] RTC Docket (Civil Case SCA No. 2643) – Vol. 7 of 9, pp. 46 to 50.
[39] RTC Docket (Civil Case SCA No. 2643) – Vol. 7 of 9, p. 106.
[40] RTC Docket (Civil Case SCA No. 2644) – Vol. 7 of 9, pp. 71 to 76. *an*

jurisdiction is unfair, unjustified and a convoluted interpretation of the LGC.

SCA No. 2645:

On April 15, 2004, petitioner filed a Complaint,[41] which was raffled to Pasig-RTC – Branch 153, and docketed as SCA No. 2655, praying: (1) for both defendants City of Cagayan De Oro and City of Pasig to interplead and litigate their conflicting claims between them as to which is legally entitled to assess, impose, and collect business taxes on the sales and orders generated by plaintiff from its area office in Dagupan City; (2) an order be issued ordering the deposit by plaintiff to the Court of the business taxes due for the second up to the last quarter of 2004, as well as subsequent local business taxes which will become due on the sales and orders generated from plaintiff's area office in Cagayan De Oro City, and considering said deposit as payment made to whomever of the defendants is entitled to the same; (3) for judgment to be rendered ordering defendant City of Cagayan De Oro to pay the plaintiff the total sum of ₱25,493.24, as and by way of refund of the LBT for the year 2003 and first quarter of 2004, in the event that the Court finds that the City of Pasig is entitled to the LBT, in the alternative, for judgment to be rendered ordering defendant City of Pasig to pay plaintiff the LBT paid corresponding to the sales generated from its area office in Cagayan De Oro City for the year 2003 and the first quarter of 2004, in the amount of ₱78,653.67, as and by way of tax refund; and (4) for judgment be rendered against all the defendants, ordering them to solidarily pay plaintiff the sum of P500,000.00, as and by way of attorney's fees, and the costs of suit.

On April 19, 2004, petitioner filed a Motion to Consolidate,[42] moving for the consolidation of SCA No. 2655 with SCA No. 2642, now pending before the same Court in Pasig-RTC – Branch 268 because they involve common questions of law and fact pursuant to Section 1, Rule 31 of the 1997 Rules of Civil Procedure. The Court granted the same in the Order dated June 22, 2004.[43]

---

[41] RTC Docket (Civil Case SCA No. 2655) – Vol. 8 of 9, pp. 2 to 14.
[42] RTC Docket (Civil Case SCA No. 2655) – Vol. 8 of 9, pp. 27 to 30.
[43] RTC Docket (Civil Case SCA No. 2655) – Vol. 8 of 9, p. 52.

On June 22, 2004, respondent filed a Motion to Dismiss,[44] claiming that the filing of the Special Civil Action for Interpleader is not the proper remedy in protesting the assessment of local business taxes made by the local treasurer. The Court granted the same in the Order dated June 22, 2004.[45]

On July 15, 2004, respondent City of Cagayan De Oro filed its Urgent *Ex Parte* Motion for Extension of Time to File Responsive Pleading,[46] which the Court granted in the Order dated July 26, 2004.[47] On May 12 2009, respondent then filed its Answer with Affirmative Defenses,[48]praying that a judgment be rendered granting City of Cagayan De Oro all the amounts that may have been deposited by plaintiff with the Court representing the LBT that may have already been due prior to, during and after the filing of the complaint, declaring the City of Cagayan De Oro as the proper taxing authority and rightful recipient of all LBT due from all sales, orders, and/or business transactions made or generated by or coming from plaintiff's so-called "area offices" within the territorial boundaries of Cagayan De Oro City, and directing the City of Pasig to desist from further assessing, imposing, and collecting from plaintiff the subject LBT due from plaintiff's so-called "area offices" within Cagayan De Oro City, and interposes the affirmative defense that plaintiff's so-called "area offices" are in reality branches or sales offices, thus all sales made by them within Cagayan De Oro City are subject to its taxing authority.

Case in the Court of Appeals in CA-G.R. SP No. 93943:

On April 24, 2004 respondent City of Cagayan De Oro filed a Petition for Certiorari and Prohibition,[49] praying that the Court Orders dated November 26, 2004,[50] and December 15, 2005,[51] denying its Motion to Dismiss be annulled and set aside, and a writ of prohibition be issued commanding the trial court to desist absolutely and perpetually from further proceeding with the case or to dismiss the interpleader case.

---

[44] RTC Docket (Civil Case SCA No. 2655) – Vol. 8 of 9, pp. 53 to 58.
[45] RTC Docket (Civil Case SCA No. 2655) – Vol. 8 of 9, p. 52.
[46] RTC Docket (Civil Case SCA No. 2655) – Vol. 8 of 9, pp. 79 to 80.
[47] RTC Docket (Civil Case SCA No. 2655) – Vol. 8 of 9, p. 81.
[48] RTC Docket (Civil Case SCA No. 2642) – Vol. 1 of 9, pp. 401 to 406.
[49] RTC Docket (Civil Case SCA No. 2642) – Vol. 1 of 9, pp. 178 to 191.
[50] RTC Docket (Civil Case SCA No. 2642) – Vol. 1 of 9, pp. 82 to 84.
[51] RTC Docket (Civil Case SCA No. 2642) – Vol. 1 of 9, pp. 157 to 158.

On August 24, 2006, respondent City of Cagayan De Oro filed its Petitioner's Memorandum,[52] while petitioner LG Electronics Philippines, Inc. filed its Memorandum on August 22, 2006.[53]

The Court of Appeals rendered a Decision dated September 22, 2008, dismissing the Petition for lack of merit, the dispositive portion reads:

> "**WHEREFORE**, premises considered, the instant petition is hereby **DISMISSED** for lack of merit. The assailed Orders of the RTC of Pasig City, Branch 268 dated November 26, 2004 and December 15, 2005 are hereby **AFFIRMED** and **UPHELD**.
>
> **SO ORDERED**."

<u>Consolidated cases *a quo*:</u>

Respondent City of Pasig filed its Answer to Complaints-in-Interpleader on May 27, 2009,[54] praying that the Court dismiss the complaint for lack of merit, and interposing the following affirmative defenses: (1) the imposition of the subject business tax on plaintiff is provided for under the Revenue Code of Pasig City (Ordinance No. 25, series of 1992, as amended) as authorized by and conformably with the LGC of 1991; and (2) the withholding of the issuance of business permit to a taxpayer with unpaid business tax assessment is authorized by the Pasig Revenue Code of 1992.

Respondent City of Davao filed a Reply [to City of Pasig's Answer dated 25 March 2009] with Motion to Expunge [from the records City of Pasig's Answer dated 25 March 2009 on April 13, 2009,[55] with respondent City of Pasig's Comment/Opposition to City of Davao Motion to Expunge Answer of City of Pasig filed on May 12, 2009.[56]

In the Order dated June 23, 2009,[57] Pasig-RTC – Branch 268 resolved to direct the City of Pasig to comply with the requirement of verification of non-forum shopping, which

[52] RTC Docket (Civil Case SCA No. 2642) – Vol. 1 of 9, pp. 315 to 330.
[53] RTC Docket (Civil Case SCA No. 2642) – Vol. 1 of 9, pp. 332 to 349.
[54] RTC Docket (Civil Case SCA No. 2642) – Vol. 1 of 9, pp. 377 to 384.
[55] RTC Docket (Civil Case SCA No. 2642) – Vol. 1 of 9, pp. 385 to 396.
[56] RTC Docket (Civil Case SCA No. 2642) – Vol. 1 of 9, pp. 407 to 414.
[57] RTC Docket (Civil Case SCA No. 2642) – Vol. 1 of 9, pp. 415 to 416.

respondent City of Pasig assented to in its Compliance filed on July 14, 2009.[58] Hence, the Motion to Expunge Answer was denied in the Order dated August 10, 2009.[59]

Respondent City of Davao's Pre-Trial Brief was filed on March 3, 2010,[60] the Pre-Trial Brief for Defendant City of Pasig and its Treasurer was filed on May 17, 2010,[61] the Pre-Trial Brief for the City of Cagayan De Oro was filed on May 12, 2010,[62] respondent City of Dagupan's Pre-Trial Brief for Defendants was filed on July 27, 2010,[63] and petitioner's Pre-Trial Brief was filed on August 10, 2010.[64]

Thereafter, Pasig-RTC – Branch 268 issued its Pre-Trial Order dated August 4, 2010, terminating Pre-Trial except as to SCA No. 2643 with respondent City of Iloilo.[65]

The Pre-Trial Brief for Defendant City of Iloilo was filed on September 30, 2010.[66] The Pre-Trial conference with respect to respondent City of Iloilo was terminated in the Order dated November 17, 2010.[67]

Further proceedings ensued, and in the Order dated December 12, 2016,[68] the Court gave the parties 30 days to file their respective memoranda, after which the case would be deemed submitted for resolution.

On February 24, 2017, petitioner filed its Consolidated Memorandum,[69] respondent City of Davao filed its Compliance [with Attached Memorandum] on May 4, 2017,[70] the Memorandum for Defendant City of Dagupan was filed on May

---

[58] RTC Docket (Civil Case SCA No. 2642) – Vol. 1 of 9, pp. 417 to 419.
[59] RTC Docket (Civil Case SCA No. 2642) – Vol. 1 of 9, p. 420.
[60] RTC Docket (Civil Case SCA No. 2642) – Vol. 1 of 9, pp. 438 to 444.
[61] RTC Docket (Civil Case SCA No. 2642) – Vol. 1 of 9, pp. 446 to 451.
[62] RTC Docket (Civil Case SCA No. 2642) – Vol. 1 of 9, pp. 452 to 459.
[63] RTC Docket (Civil Case SCA No. 2642) – Vol. 2 of 9, pp. 555 to 556.
[64] RTC Docket (Civil Case SCA No. 2642) – Vol. 2 of 9, pp. 558 to 578.
[65] RTC Docket (Civil Case SCA No. 2642) – Vol. 2 of 9, pp. 592 to 601.
[66] RTC Docket (Civil Case SCA No. 2642) – Vol. 2 of 9, pp. 609 to 612.
[67] RTC Docket (Civil Case SCA No. 2642) – Vol. 1 of 9, p. 636.
[68] RTC Docket (Civil Case SCA No. 2642) – Vol. 3 of 9, p. 1625.
[69] RTC Docket (Civil Case SCA No. 2642) – Vol. 4 of 9, pp. 1667 to 1688.
[70] RTC Docket (Civil Case SCA No. 2642) – Vol. 4 of 9, pp. 1723 to 1754.

10, 2017,[71] the Memorandum (for City of Cagayan De Oro) was filed on May 25, 2017,[72] .[73]

On September 16, 2019, the Court *a quo* promulgated the assailed Joint-Decision in the consolidated cases.[74]

On November 12, 2019, petitioner filed its Motion for Reconsideration (of the Decision dated 16 September 2019).[75] The City of Davao filed its Comment/Opposition [to Motion for Reconsideration Dated 12 November 2019] on November 25, 2019.[76] Subsequently, the Comment to the Motion for Reconsideration (for City of Cagayan De Oro) was filed on December 19, 2019.[77] The City of Pasig also filed its Comment/Opposition (To Plaintiff's Motion for Reconsideration dated 12 November 2019) on January 9, 2020.[78]

On January 20, 2020, petitioner filed a Reply (to the Comment/Opposition to the Motion for Reconsideration dated 12 November 2019) to the comment filed by the City of Davao,[79] and to the comment filed by the City of Cagayan De Oro.[80]

On February 12, 2020, petition filed a Reply (to the Comment/Opposition to the Motion for Reconsideration dated 12 November 2019) filed by the City of Pasig.[81]

On February 21, 2020, petitioner filed a Supplemental Reply (to the Comment/Opposition to the Motion for Reconsideration dated 12 November 2019).[82]

The Court *a quo* denied petitioner's Motion for Reconsideration in its Order dated January 25, 2021.[83]

---

[71] RTC Docket (Civil Case SCA No. 2642) – Vol. 4 of 9, pp. 1717 to 1721.
[72] RTC Docket (Civil Case SCA No. 2642) – Vol. 4 of 9, pp. 1757 to 1773.
[73] RTC Docket (Civil Case No. R-DVO-18-01318-CV), pp. 170 to 178; and RTC Docket (Civil Case No. R-DVO-18-02429-CV), pp. 161 to 169.
[74] RTC Docket – Vol. 4, pp. 1778 to 1807.
[75] RTC Docket – Vol. 4, pp. 1808 to 1821.
[76] RTC Docket – Vol. 4, pp. 1825 to 1830.
[77] RTC Docket – Vol. 4, pp. 1832 to 1840.
[78] RTC Docket – Vol. 4, pp. 1842 to 1848.
[79] RTC Docket – Vol. 4, pp. 1850 to 1856.
[80] RTC Docket – Vol. 4, pp. 1857 to 1862.
[81] RTC Docket – Vol. 4, pp. 1866 to 1871.
[82] RTC Docket – Vol. 4, pp. 1874 to 1880.
[83] RTC Docket – Vol. 4, pp. 1883 to 1889. am

Petitioner filed the present *Petition for Review* on May 17, 2021.[84]

In the Resolution dated June 16, 2021,[85] the Court directed petitioner's counsel to explain why her Integrated Bar of the Philippines (IBP) Official Receipt Number as indicated in the Petition for Review was postdated October 8, 2021. On October 14, 2021, petitioner's counsel electronically filed a Compliance/Explanation,[86] explaining that the date indicated is a result of a typographical error of the clerical secretary which was not noticed by Atty. Salcedo. In the Resolution dated February 7, 2022,[87] the Court: (1) noted the Compliance/Explanation electronically filed by petitioner's counsels on October 14, 2021, and deemed the same sufficient compliance with the Court's order in the Resolution dated June 16, 2021; and (2) ordered respondents to file their Comment to the Petition for Review within ten (10) days from receipt of notice.

As of March 31, 2022, respondents failed to file their comment to the Petition for Review.[88]

The original records for this case were transmitted to this Court on May 5, 2022.[89]

Considering that respondents failed to file their comment on petitioner's Petition for Review, the present case was deemed submitted for decision on May 11, 2022.[90]

However, respondent City of Cagayan de Oro posted its Motion for Extension of Time to File Comment on May 16, 2022.[91] On June 13, 2022, respondent Cagayan de Oro posted its Urgent Motion to Admit Comment.[92]

---

[84] Docket (CTA AC No. 250) – Vol. I, pp. 5 to 46.
[85] Docket (CTA AC No. 250) – Vol. I, pp. 471 to 472.
[86] Docket (CTA AC No. 250) – Vol. I, pp. 473 to 479.
[87] Docket (CTA AC No. 250) – Vol. I, pp. 487 to 488.
[88] Records Verification dated March 31, 2022 issued by the Judicial Records Division of this Court, Docket (CTA AC No. 250) – Vol. I, p. 489.
[89] *Letter of Transmittal* dated April 26, 2022, Docket (CTA AC No. 250) – Vol. I, pp. 498 to 513.
[90] Docket (CTA AC No. 250) – Vol. I, pp. 515 to 516.
[91] Docket (CTA AC No. 250) – Vol. II, pp. 521 to 525.
[92] Docket (CTA AC No. 250) – Vol. II, pp. 609 to 613. *om*

In the meantime, respondent City of Davao posted a Motion for Leave [to File and Admit Belated Comment to the Petition] on June 3, 2022.[93] Subsequently, respondent City of Davao posted its Manifestation on June 10, 2022,[94] stating that it received the Court's Resolution dated May 11, 2022 only on June 7, 2023, and that it had already filed its Motion for Leave to File and Admit Belated Comment, with attached Comment/Opposition to the Petition dated March 19, 2021 via registered mail on June 3, 2022.

On July 18, 2022, petitioner filed a Motion for Time to File Reply to Respondent's Comment to the Petition for Review.[95]

Respondents City of Pasig and its City Treasurer filed a Manifestation and Omnibus Motion (For Respondents City of Pasig and its City Treasurer) on July 20, 2022,[96] stating that they received a copy of the Court's Notice of Resolution dated May 16, 2022 on July 13, 2022, and requesting ten (10) days within which to file their Comment/Opposition.

On June 28, 2022, petitioner filed a Second Motion for Time to File Consolidated Reply.[97]

In the Resolution dated August 17, 2022,[98] the Court:

1. Granted respondent City of Cagayan de Oro's Motion for Extension of Time to File Comment;

2. Granted respondent City of Cagayan de Oro's Motion for Extension of Time to File Comment and Urgent Motion to Admit Comment with an attached Comment to Petition for Review (For City of Cagayan de Oro), and admitted the said Comment to Petition for Review (For City of Cagayan de Oro);

3. Granted respondent City of Davao's Motion for Leave (to File and Admit Belated Comment to the Petition), with attached Comment/Opposition (to the Petition dated March 19, 2021) filed on July 4, 2022;

---

[93] Docket (CTA AC No. 250) – Vol. II, pp. 630 to 666.
[94] Docket (CTA AC No. 250) – Vol. II, pp. 812 to 814.
[95] Docket (CTA AC No. 250) – Vol. II, pp. 817 to 821.
[96] Docket (CTA AC No. 250) – Vol. II, pp. 822 to 826.
[97] Docket (CTA AC No. 250) – Vol. II, pp. 831 to 835.
[98] Docket (CTA AC No. 250) – Vol. II, pp. 843 to 846. on

4. Noted City of Davao's Manifestation posted on June 10, 2022, and admitted the Comment/Opposition (to the Petition dated March 19, 2021) filed on July 4, 2022;

5. Granted petitioner's Motion for Time to File Reply to Defendants Comment to the Petition for Review; and

6. Noted respondents City of Pasig and its City Treasurer's Manifestation and Omnibus Motion (For Respondents City of Pasig and its City Treasurer), and ordered petitioner to furnish respondents City of Pasig and its City Treasurer a copy of its Petition for Review, and ordered respondents to file their comment/opposition to the Petition for Review within ten (10) days from receipt of the same.

On September 5, 2022, petitioner filed, through electronic mail, its Reply (to the Comments of Respondents Cities of Davao and Cagayan de Oro to the Petition for Review).[99]

Respondents City of Pasig and City Treasurer, however, failed to file their comment to the Petition for Review.[100]

In the Resolution dated October 14, 2022,[101] the Court:

1. granted petitioner's Second Motion for Time to File Consolidated Reply, and admitted petitioner's Reply (to the Comments of Respondents Cities of Davao and Cagayan de Oro to the Petition for Review); and

2. recalled the Resolution dated May 11, 2022, and submitted the case for decision anew.

In its Petition for Review, petitioner assigns the following errors supposedly committed by the Court *a quo*, to wit:

"A.

IT WAS GRAVE AND REVERSIBLE ERROR TO RULE THAT PETITIONER'S OFFICES IN RESPONDENTS CAGAYAN DE ORO, CITY, DAVAO CITY, ILOILO

---

[99] Docket (CTA AC No. 250) – Vol. II, pp. 855 to 868.
[100] Records Verification dated September 20, 2022 issued by the Judicial Records Division of this Court, Docket (CTA AC No. 250) – Vol. II, p. 887.
[101] Resolution dated October 14, 2022, Docket (CTA AC No. 250) – Vol. II, pp. 340 to 341.

CITY, AND DAGUPAN CITY ARE BRANCHES INSTEAD OF AREA OFFICES.

B.

IT WAS GRAVE AND REVERSIBLE ERROR TO RULE THAT PETITIONER IS LIABLE TO PAY LOCAL BUSINESS TAXES TO RESPONDENTS CAGAYAN DE ORO CITY, DAVAO CITY, ILOILO CITY, AND DAGUPAN CITY.

C.

IT WAS GRAVE AND REVERSIBLE ERROR TO RULE THAT PETITIONER IS NOT ENTITLED TO REFUND THE TAXES ERRONEOUSLY PAID TO RESPONDENTS CAGAYAN DE ORO CITY, DAVAO CITY, ILOILO CITY, AND DAGUPAN CITY.

D.

IT WAS GRAVE AND REVERSIBLE ERROR TO RULE THAT PETITIONER IS NOT ENTITLED TO A REFUND OF THE TAXES PAID TO RESPONDENT PASIG CITY EVEN IF PASIG CITY IS FOUND NOT TO BE THE PROPER TAXING AUTHORITY."[102]

Petitioner's arguments:

Petitioner claims that its offices in respondents Dagupan City, Iloilo City, Davao City, and Cagayan De Oro City, are mere area offices and not branches, and thus, the *situs* of local business taxation is Pasig City, where its head office is located and where the sales from said area offices are approved and recorded. Petitioner cites Section 150 of the Local Government Code of 1991 (LGC of 1991) which provides that where the entity has no branch or sales outlet in the city or municipality where the sale transaction is made, the sale shall be duly recorded in the principal office and the taxes due shall accrue and shall be paid to such municipality or city.

Petitioner maintains that it is under no obligation to pay LBT to the wrong taxing authority and that all payments made to the wrong taxing authority should be refunded to petitioner.

---

[102] Assignment of Errors, *Petition for Review*, Docket (CTA AC No. 250) – Vol. I, p. 19.

Respondents' counter-arguments:

Respondent City of Cagayan De Oro contravenes the allegation of petitioner and asserts that it has the authority to impose, assess and collect local business taxes (LBT) from petitioner as it maintains a branch or sales office within its jurisdiction in accordance with Section 150 of the LGC of 1991 and its implementing rules and regulations (IRR). It further avers that respondent City of Pasig's certification that petitioner is liable to the City of Pasig for local business tax based on its sales generated nationwide violates the local fiscal autonomy of respondent City of Cagayan De Oro and of the other respondent LGUs.

For its part, respondent City of Davao contends that petitioner's area office within its jurisdiction is in reality, a branch office, and petitioner is liable to pay LBT with respect to the sales generated therein pursuant to the provisions of Section 150 of the LGC of 1991.

THE COURT'S RULING

The present Petition for Review must be dismissed.

This Court shall first determine the timeliness of the filing of the present Petition for Review.

Sections 1 and 3(b), Rule 8 of the Revised Rules of the Court of Tax Appeals (RRCTA) provide as follows:

> "SECTION 1. *Review of cases in the Court en banc.* — In cases falling under the exclusive appellate jurisdiction of the Court *en banc*, the petition for review of a decision or resolution of the Court in Division must be preceded by the filing of a timely motion for reconsideration or new trial with the Division.
>
> xxx xxx xxx
>
> SEC. 3. *Who may appeal; period to file petition.* —
>
> (a) **A party adversely affected by a decision**, ruling or the inaction **of** the Commissioner of Internal Revenue on disputed assessments or claims for refund of internal revenue taxes, or by a decision or ruling of the Commissioner of Customs, the Secretary of Finance, the Secretary of Trade and

> Industry, the Secretary of Agriculture, or **a Regional Trial Court in the exercise of its original jurisdiction may appeal to the Court by petition for review filed within thirty days after receipt of a copy of such decision** or ruling, or expiration of the period fixed by law for the Commissioner of Internal Revenue to act on the disputed assessments. In case of inaction of the Commissioner of Internal Revenue on claims for refund of internal revenue taxes erroneously or illegally collected, the taxpayer must file a petition for review within the two-year period prescribed by law from payment or collection of the taxes." *(Emphases supplied)*

By its own allegation, petitioner admits that it received a copy of the assailed Order dated January 25, 2021 only on February 23, 2021.[103] Counting thirty (30) days therefrom, petitioner had until March 25, 2021 to file its Petition for Review with this Court.

However, the present Petition for Review was filed with the Court only on May 17, 2021.[104]

The Court notes that the Supreme Court issued the following announcements and administrative circulars ordering the physical closure of courts and extending the filing of petitions and appeals, complaints, motions, pleadings, and court submissions in the National Capital Judicial Region and nearby provinces due to the surge of Covid-19 cases, *viz.*:

Issuance	***Date Issued***	***Content***
Announcement[105]	March 25, 2021	Physical Closure of NCJR Courts, Nearby Provinces on March 25-26, 2021 "In view of the rising cases of COVID-19 in the National Capital Region and the nearby provinces of Bulacan, Cavite, Laguna and Rizal ("Nearby Provinces"), Chief Justice Diosdado M. Peralta orders the **physical closure of all courts and court offices in the NCJR**

[103] Par. 4, *Petition for Review*, Docket (CTA AC No. 250) – Vol. I, at p. 7.
[104] Docket (CTA AC No. 250) – Vol. I, p. 5 vis-à-vis 44 to 46.
[105] "Physical Closure of NCJR Courts, Nearby Provinces on March 25-26, 2021," The Supreme Court of the Philippines Website, March 25, 2021, https://sc.judiciary.gov.ph/re-physical-closure-of-ncjr-courts-nearby-provinceson-march-25-26-2021/ cm

		(Supreme Court, Court of Appeals, Court of Tax Appeals, Sandiganbayan, and trial courts) and in nearby provinces **beginning at 2 P.M. today**, March 25, 2021, until tomorrow, March 26, 2021."
Announcement[106]	March 27, 2021	Physical Closure of Courts in the NCJR and nearby provinces from March 29 to 31, 2021 and throughout the Holy Week "In view of the alarming surge of COVID-19 cases and upon consultation with the members of the Court *En Banc*, as well as the heads of the concerned offices, the physical closure of all courts and court offices (Supreme Court, Court of Appeals, Court of Tax Appeals, Sandiganbayan, and trial courts) in the National Capital Judicial Region, and nearby provinces of Bulacan, Cavite, Laguna, and Rizal is hereby EXTENDED effective March 29 (Monday) to March 31 (Wednesday), 2021 and throughout the Holy Week."
Administrative Circular (AC) No. 14-2021	March 28, 2021	Re: Extension of Filing Periods for Pleadings/Court Submissions for Courts in the National Capital Judicial Region and Nearby Provinces placed under Enhanced Community Quarantine from March 29 to April 4, 2021 "Considering that the National Capital Region and nearby provinces of Bulacan, Cavite, Laguna, and Rizal have been placed under Enhanced Community Quarantine **beginning March 29 until April 4, 2021, the filing periods of pleadings and other court submissions that fall due during the period from March 29 to March 31, 2021 are hereby EXTENDED** for three (3)

106 "Physical Closure of Courts in the NCJR and Nearby Provinces from March 29 to 31, 2021 and Throughout the Holy Week," The Supreme Court of the Philippines Website, March 27, 2021, https://sc.judiciary.gov.ph/re-physical-closure-of-courts-in-the-national-capital-judicial-region-and-nearby-provinces-from-march-29-to-31-2021-and-throughout-the-holy-week/

		calendar days, counted from April 5, 2021, xxx"
AC No. 15-2020	April 3, 2021	Re: Extension of the Physical Closure of Courts and the Filing Periods for Pleadings and Other Court Submissions in Light of the Further Extension of the Enhanced Community Quarantine from April 5 to April 11, 2021 "xxx the filing periods that fell due or would fall due during the period beginning March 29, to April 11, 2021 are hereby EXTENDED for seven (7) calendar days, counted from April 12, 2021, xxx."
AC No. 21-2021	April 10, 2021	Re: Extension of Physical Closure of Courts "Considering the unabated rise of Covid-19 cases, the requests of the judges and court personnel, and upon the concurrence of the members of the Court en banc, ALL the courts and judicial offices in the National Capital Judicial Region and the provinces of Bulacan, Cavite, Laguna, and Rizal (NCJR+) shall remain physically closed until 18 April 2021. xxx xxx xxx The time for filing and service of pleadings and motions during this period is SUSPENDED and shall resume seven (7) calendar days counted from the first day of physical reopening of the relevant court."
AC No. 22-2021	April 14, 2021	Re: Physical Closure of Courts in Enhanced Community Quarantine and Modified Enhanced Community Quarantine Areas "Considering the National Capital Region, and the provinces of Abra, Bulacan, Cavite, Laguna, Quirino and Rizal, and Santiago City are under Modified Enhanced Community Quarantine (MECQ) until 30 April 2021, the physical closure of courts in the said areas

		is likewise extended to 30 April 2021. xxx xxx xxx The time for filing and service of pleadings and motions during this period is SUSPENDED and shall resume seven (7) calendar days counted from the first day for physical reopening of the relevant court."
AC No. 29-2021	April 30, 2021	Re: Work Arrangements in Courts on 3-14 May 2021 "Considering that the National Capital Region, the provinces of Abra, Bulacan, Cavite, Laguna, Quirino, and Rizal, and Santiago City, Isabela, continue to be under Modified Enhanced Community Quarantine (MECQ) until 14 May 2021, ALL first and second level courts, and appellate collegiate courts, and their judicial offices in the said areas shall continue to be physically closed until 14 May 2021. xxx xxx xxx The time for filing and service of pleadings and motions during this period in these areas is SUSPENDED and shall resume after seven (7) calendar days counted from the first day of the physical reopening of the relevant court."
AC No. 33-2021	May 14, 2021	Re: Court Operations Starting 17 May 2021 "Considering that the National Capital Region and nearby provinces of Bulacan, Cavite, Laguna, and Rizal, together with some provinces and cities, have been placed under General Community Quarantine (GCQ) starting 15 May until 31 May 2021, all first and second level courts and appellate collegiate courts (except the Supreme Court), and **the judicial offices in these areas**

an

		under GCQ shall be physically opened with a skeleton force of at least thirty percent (30%) to at most fifty percent (50%), **beginning 17 May 2021** until further notice."

Based on CTA *En Banc* Resolution No. 5-2021 dated March 22, 2021, the Court was closed from March 23, 2021 to March 26, 2021 and pleadings shall be received electronically during said period. Petitioner had the option to file through electronic mail as permitted by the Supreme Court under SC Circular 45-2020 and as stated in CTA EB Resolution No. 5-2021.[107] Petitioner has not proffered any explanation as to why it did not opt to file its pleadings through registered mail or via electronic mail to ensure the timely service thereof.

It is well-settled that judgments or orders become final and executory by operation of law and not by judicial declaration. The finality of judgment becomes a fact upon the lapse of the reglementary period of appeal if no appeal is perfected. The court need not pronounce the finality of the order as the same becomes final by operation of law.[108]

Since the appeal was filed only after the expiration of the 30-day period, such appeal was not perfected. As such, the decision of RTC Pasig City – Branch 268 in SCA Nos. 2642, 2643, 2644 & 2655 has become final and executory after the lapse of the 30-day period. Hence, this Court could no longer acquire jurisdiction over the case and can no longer review nor modify the assailed Decision or Order issued by the Pasig-RTC.

In fine, considering that petitioner failed to file the Petition for Review within thirty (30) days from receipt of the assailed Order, as earlier discussed, the same must be denied.

Enlightening is the decision of the Supreme Court in the case of *Team Pacific Corporation vs. Daza*,[109] where it was ruled, thus:

---

[107] Issued on August 18, 2020; See also CTA *En Banc* Resolution No. 4-2021, February 24, 2021.
[108] *Barrio Fiesta Restaurant, et al. vs. Helen C. Beronia*, G.R. No. 206690, July 11, 2016.
[109] G.R. No. 167732, July 11, 2012. *Cen*

> "Although appeal is an essential part of our judicial process, it has been held, time and again, that the right thereto is not a natural right or a part of due process but is merely a statutory privilege. **Thus, the perfection of an appeal in the manner and within the period prescribed by law is not only mandatory but also jurisdictional and failure of a party to conform to the rules regarding appeal will render the judgment final and executory**. Once a decision attains finality, it becomes the law of the case irrespective of whether the decision is erroneous or not and no court not even the Supreme Court has the power to revise, review, change or alter the same xxx xxx."

Considering that the Court did not acquire jurisdiction over the instant Petition for Review, the other issues raised need no longer be resolved.

WHEREFORE, in light of the foregoing considerations, the present Petition for Review is **DISMISSED** for this Court's lack of jurisdiction.

SO ORDERED.

Catherine T. Manahan
CATHERINE T. MANAHAN
Associate Justice

WE CONCUR:

ROMAN G. DEL ROSARIO
Presiding Justice

Marian Ivy F. Reyes-Fajardo
MARIAN IVY F. REYES-FAJARDO
Associate Justice

CERTIFICATION

Pursuant to Article VIII, Section 13 of the Constitution, it is hereby certified that the conclusions in the above decision were reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.

ROMAN G. DEL ROSARIO
Presiding Justice