REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

THIRD DIVISION

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GREEN CROSS, INC., Petitioner,	**CTA Case Nos. 9833 & 9994**
	Members:
- versus -	**UY,** *Chairperson,* **RINGPIS-LIBAN,** *and* **MODESTO-SAN PEDRO**, *JJ.*
COMMISSIONER OF INTERNAL REVENUE, Respondent.	***Promulgated:*** JAN 05 2021 3:16 p.m.

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JUDGMENT ON COMPROMISE AGREEMENT

UY, *J*.:

For the Court's resolution are the parties' ***Joint Motion for Approval of Compromise Agreement***[1] filed on February 28, 2020; and respondent's ***Compliance***[2] filed on December 4, 2020.

Records show that on May 4, 2018, petitioner filed a *Petition for Review*[3] before this Court docketed as CTA Case No. 9833, praying for the cancellation of the *Final Decision on Disputed Assessment* (FDDA) dated July 13, 2017, assessing petitioner for deficiency excise tax, value-added tax (VAT) and compromise penalty in the aggregate amount of ₱195,855,850.21, inclusive of penalties for taxable year 2013.

On December 21, 2018, petitioner filed a *Petition for Review*[4] before the Second Division, docketed as CTA Case No. 9994, seeking the cancellation of the FDDA dated July 17, 2018, assessing

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[1] Docket (CTA Case No. 9833) – Vol. 3, pp. 1108 to 1111.
[2] Docket (CTA Case No. 9833) – Vol. 3, pp. 1196 to 1197.
[3] Docket (CTA Case No. 9833) – Vol. 1, pp. 10 to 38.
[4] Docket (CTA Case No. 9994) – Vol. 1, pp. 10 to 40.

petitioner for deficiency excise tax, VAT on excise tax, compromise penalties, surcharge and interest in the aggregate amount of ₱166,525,299.28 for taxable year 2014.

On January 14, 2019, petitioner filed before this Court an *Omnibus Motion to Consolidate and Defer Proceedings*[5], praying for the (1) consolidation of CTA Case No. 9833 with CTA Case No. 9994 which is pending before the Second Division; and (2) the deferral of the proceedings in CTA Case No. 9833 until after the consolidation of cases.

In the Resolution[6] dated March 27, 2019, the Court granted petitioner's *Motion for Consolidation*, subject to the conformity of the Second Division.

On March 28, 2019, the Second Division issued an Order[7] granting petitioner's *Motion to Consolidate*. Hence, CTA Case No. 9994 was consolidated with CTA Case No. 9833, the case bearing the lower docket number.

Mediation Proceedings

On April 22, 2019, the Court referred the instant consolidated cases to mediation in the Philippine Mediation Center-Court of Tax Appeals (PMC-CTA) pursuant to Section II of the *Interim Guidelines for Implementing Mediation in the Court of Tax Appeals* (or Interim Guidelines).[8]

On July 4, 2019, the mediator, (Ret.) Judge Nelson B. Bayot, with the conformity of Atty. Roxanne Tadique on behalf of petitioner, and Attys. Felix Paul R. Velasco III and Ayesha Hania Guiling-Matanog, on behalf of the CIR, filed a *Request for Extension (PMC Form 9)*[9], requesting for a final extension of thirty (30) days from July 10, 2019 or until August 10, 2019[10], to give the parties additional time within which to reach an amicable settlement.

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[5] Docket (CTA Case No. 9833) – Vol. 1, pp. 299 to 305.
[6] Docket (CTA Case No. 9833) – Vol. 2, p. 975.
[7] Docket (CTA Case No. 9833) – Vol. 2, p. 976.
[8] Docket (CTA Case No. 9833) – Vol. 2, pp. 984 to 985.
[9] Docket (CTA Case No. 9833) – Vol. 2, p. 986.
[10] Should be August 9, 2019.

In the Order[11] dated July 8, 2019, the Court granted the mediator's *Request for Mediation*; and gave the parties a final extension of thirty (30) days from July 10, 2019 or until August 9, 2019 within which to reach an amicable settlement.

On August 9, 2019, the parties filed a *Joint Motion to Suspend Proceedings*[12] stating that the parties have reached an amicable settlement in principle and the agreement signifying such compromise is being reviewed for execution, and that the parties need more time to effect the execution of the compromise agreement; and praying that the proceedings be suspended to give the parties ample time to finalize and execute the compromise agreement.

In the Resolution[13] dated August 29, 2019, the Court denied the parties' *Joint Motion to Suspend Proceedings*; and gave the parties and the mediator a period of thirty (30) days from August 9, 2019 or until September 8, 2019, within which to sign the compromise agreement and to submit to the Court the said signed compromise agreement and the mediator's report.

On September 9, 2019, the parties filed a *Joint Motion for Extension*[14], requesting that an extension be granted until October 8, 2019 for the filing of the compromise agreement. In the Resolution[15] dated September 24, 2019, the Court granted the parties' *Joint Motion for Extension* and ordered the parties not later than October 8, 2019, to submit the signed compromise agreement.

On October 7, 2019, the parties filed a *Joint Motion for Extension*[16] requesting that the deadline for filing the compromise agreement be extended to November 7, 2019. In the Resolution[17] dated October 10, 2019, the Court granted the parties' *Joint Motion for Extension* and directed the parties to file the compromise agreement not later than November 7, 2019.

On November 6, 2019, the parties filed a *Joint Motion for Extension*[18], stating that the parties have already arrived at an

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[11] Docket (CTA Case No. 9833) – Vol. 2, p. 987.
[12] Docket (CTA Case No. 9833) – Vol. 2, pp. 989 to 991.
[13] Docket (CTA Case No. 9833) – Vol. 2, pp. 993 to 995.
[14] Docket (CTA Case No. 9833) – Vol. 2, pp. 996 to 999.
[15] Docket (CTA Case No. 9833) – Vol. 2, p. 1001
[16] Docket (CTA Case No. 9833) – Vol. 2, pp. 1002 to 1005.
[17] Docket (CTA Case No. 9833) – Vol. 3, p. 1007.
[18] Docket (CTA Case No. 9833) – Vol. 3, pp. 1008 to 1011.

agreement and that petitioner has signed and transmitted the Compromise Agreement to the CIR for his signature; and praying for another extension until December 6, 2019 to give the CIR additional time to sign the Compromise Agreement, and the PMC-CTA to attest thereto and prepare the mediator's report. The same was granted by the Court in the Resolution[19] dated November 15, 2019.

On December 6, 2019, the parties filed a *Joint Motion for Extension*[20], praying that the deadline for filing the compromise agreement be extended to January 10, 2020.

In the Resolution[21] dated December 13, 2019, the Court granted the parties' *Joint Motion for Extension* and directed the parties to file the compromise agreement not later than January 10, 2020, with warning that no further extensions shall be allowed; and that in the event that the parties fail to submit their compromise agreement within the period granted, the Pre-Trial conference is set on March 19, 2020.

On January 22, 2020, the Judicial Records Division of this Court issued a *Records Verification Report*[22] stating that the parties failed to file their compromise agreement.

On January 23, 2020, the parties filed a *Joint Motion for Extension*[23], requesting that an extension be granted until February 21, 2020 to give the CIR further time to sign the compromise agreement and the PMC-CTA to attest thereto and prepare the mediator's report.

On January 29, 2020, respondent filed a *Manifestation*[24] stating that the parties have agreed to enter into a Compromise Agreement where petitioner shall pay ₱80,000,000.00 as full satisfaction of its 2013 and 2014 tax liabilities; and that while the CIR has approved the Compromise Agreement, he will only sign the said agreement upon submission of the proof payment of the compromise amount.

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[19] Docket (CTA Case No. 9833) – Vol. 3, p. 1013.
[20] Docket (CTA Case No. 9833) – Vol. 3, pp. 1014 to 1017.
[21] Docket (CTA Case No. 9833) – Vol. 3, p. 1019.
[22] Docket (CTA Case No. 9833) – Vol. 3, p. 1020.
[23] Docket (CTA Case No. 9833) – Vol. 3, pp. 1021 to 1024.
[24] Docket (CTA Case No. 9833) – Vol. 3, pp. 1025 to 1027.

On February 3, 2020, petitioner filed a *Counter-Manifestation*[25], informing the Court that it will pay the compromise amount as required by the CIR and shall furnish the CIR with proof of payment thereof.

In the Resolution[26] dated February 5, 2020, the Court denied the parties *Joint Motion for Extension* filed on January 23, 2020, and informed the parties that they are not precluded from pursuing possible compromise agreement without having to suspend the proceedings in the instant consolidated cases. The Court likewise ordered that the Pre-Trial Conference set on March 19, 2020 shall proceed as scheduled.

On February 7, 2020, petitioner filed a *Manifestation*[27] informing the Court that it has already paid the compromise amount through the electronic filing and payment system (eFPS) on February 4, 2020 and that it has furnished the Litigation Division of the BIR with the proof of payment.

On February 19, 2020, the parties filed a *Joint Motion for Reconsideration*[28] seeking the reversal and setting aside of the Resolution dated February 5, 2020; and alleging among others that a liberal construction of the rules will allow a speedy and inexpensive determination of these cases; and that the parties have added significant progress towards the settlement and have already executed a compromise agreement.

On February 21, 2020, the PMC-CTA filed with the Court, the *Mediator's Report (PMC-CTA Form 5)*[29] dated February 21, 2020, signed by (Ret.) Judge Nelson B. Bayot, stating that there has been a "Successful Settlement". Attached thereto, among others, are the following:

a. *Compromise Agreement*[30] dated February 14, 2020, signed by Anthony Mark A. Gutierrez on behalf of petitioner Green Cross, Inc.; and by respondent Commissioner of Internal Revenue (CIR) Caesar R. Dulay, and attested to by (Ret.) Judge Nelson B. Bayot.

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[25] Docket (CTA Case No. 9833) – Vol. 3, pp. 1029 to 1032.
[26] Docket (CTA Case No. 9833) – Vol. 3, p. 1043
[27] Docket (CTA Case No. 9833) – Vol. 3, pp. 1044 to 1046.
[28] Docket (CTA Case No. 9833) – Vol. 3, pp. 1073 to 1080.
[29] Docket (CTA Case No. 9833) – Vol. 3, p. 1085.
[30] Docket (CTA Case No. 9833) – Vol. 3, pp. 1092 to 1095.

b. Secretary's Certificate dated April 30, 2018 indicating petitioner's authorized representatives in the mediation proceedings.[31]

c. Photocopies of BIR Forms No. 0605 and the corresponding eFPS Payment Confirmation.[32]

On February 28, 2020, the parties filed a *Joint Motion for Approval of Compromise Agreement*[33] praying that the Court approve the Compromise Agreement and render judgment based on the said Compromise Agreement.

In the Resolution[34] dated March 2, 2020, the Court ruled that the parties' *Joint Motion for Reconsideration* filed on February 19, 2020, was rendered moot since the period requested therein had already lapsed; and that in the interest of liberality, the Court cancelled and reset the Pre-Trial Conference to April 23, 2020.

On March 12, 2020, the Court issued a Resolution[35] noting the *Mediator's Report* dated February 21, 2020; and directing the parties to submit within a period of fifteen (15) days the (1) original or certified true copies of BIR Forms No. 0605 and the corresponding eFPS Payment Confirmation; (2) original or certified true copy of the *Certificate of Availment;* and *(3)* proof of approval of the *Compromise Settlement* by the majority of the members of the National Evaluation Board (NEB), as well as the concurrence thereon by the CIR. The Court likewise held in abeyance the resolution of the parties' *Joint Motion for Approval of Compromise Agreement.*

On June 9, 2020, the Pre-Trial Conference was reset to October 1, 2020.[36]

On June 30, 2020, the parties filed a *Joint Motion for Extension of Time to File Compliance*[37], requesting for an additional period of sixty (60) days from July 1, 2020, or until August 30, 2020, to submit the required documents. The same was granted by the Court in the

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[31] Docket (CTA Case No. 9833) – Vol. 3, pp. 1088 to 1089.
[32] Docket (CTA Case No. 9833) – Vol. 3, pp. 1096 to 1107.
[33] Docket (CTA Case No. 9833) – Vol. 3, pp. 1108 to 1111.
[34] Docket (CTA Case No. 9833) – Vol. 3, pp. 1113 to 1114.
[35] Docket (CTA Case No. 9833) – Vol. 3, pp. 1116 to 1118.
[36] *Notice of Resetting* issued by Executive Clerk of Court III, Atty. Christine C. Maza-Guarin, Docket (CTA Case No. 9833) – Vol. 3, p. 1121.
[37] Docket (CTA Case No. 9833) – Vol. 3, pp. 1122 to 1125.

Resolution[38] dated July 16, 2020.

On August 26, 2020, petitioner filed its *Partial Compliance*[39] submitting the certified true copies of BIR Forms No. 0605 and the corresponding eFPS Payment Confirmations; and manifesting that the other required documents, i.e., (1) original or certified true copy of the *Certificate of Availment*; and (2) proof of approval of the *Compromise Settlement* by the majority of the members of the NEB, as well as the concurrence thereon by the CIR, shall be submitted separately by the CIR.

On September 1, 2020, respondent filed a *Motion for Extension of Time to Submit Proof of NEB Approval*[40] stating that the NEB has not yet convened; and requesting for an additional period of thirty (30) days from August 30, 2020 or until September 29, 2020, to submit the documents evidencing NEB approval. The same was granted by the Court in the Resolution[41] dated September 17, 2020.

On September 29, 2020, respondent filed an *Omnibus Motion [(a) For Extension of Time to Submit NEB Approval and (b) to Defer Pre-Trial Conference]*[42], manifesting that the issuance of the *Certificate of Availment* is already being processed; and praying (1) for an additional period of thirty (30) days from September 29, 2020, or until October 29, 2020 within which to submit the required documents, and (2) that the Pre-Trial Conference set on October 1, 2020 be deferred to a later date.

On September 30, 2020, petitioner filed a *Motion for Deferment of Pre-Trial Conference*[43] praying that the Pre-Trial Conference scheduled on October 1, 2020 be cancelled and reset to a later date to give respondent sufficient time to submit the required documents.

In the Resolution[44] dated October 2, 2020, the Court granted respondent's *Omnibus Motion [(a) For Extension of Time to Submit NEB Approval and (b) to Defer Pre-Trial Conference]*[45]; and gave respondent a final extension of thirty (30) days from September 29,

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[38] Docket (CTA Case No. 9833) – Vol. 3, p. 1128.
[39] Docket (CTA Case No. 9833) – Vol. 3, pp. 1129 to 1132.
[40] Docket (CTA Case No. 9833) – Vol. 3, pp. 1157 to 1160.
[41] Docket (CTA Case No. 9833) – Vol. 3, pp. 1163 to 1164.
[42] Docket (CTA Case No. 9833) – Vol. 3, pp. 1165 to 1169.
[43] Docket (CTA Case No. 9833) – Vol. 3, pp. 1170 to 1173
[44] Docket (CTA Case No. 9833) – Vol. 3, p. 1180.
[45] Docket (CTA Case No. 9833) – Vol. 3, pp. 1165 to 1169.

2020, or until October 29, 2020, within which to submit the documents evidencing NEB approval. The Court likewise cancelled and reset the Pre-Trial Conference to January 27, 2021.

On October 13, 2020, the Court issued a Resolution[46] declaring petitioner's *Motion for Deferment of Pre-Trial Conference* as deemed granted in view of the Resolution dated October 2, 2020 resetting the Pre-Trial Conference to January 27, 2021.

On October 29, 2020, respondent filed a *Final Motion for Extension of Time to Submit NEB Approval*[47] *via* registered mail and received by the Court on November 9, 2020, stating that the NEB has already convened and signified approval of the compromise agreement; and that the *Certificate of Availment* is still unsigned since the Assistant Commissioner of Collection of Service, the office designated to sign the said Certificate, was unavailable; and requesting for an additional period of ten (10) days from October 29, 2020 or until November 9, 2020, to submit the documents evidencing NEB approval.

On November 10, 2020, respondent filed his *Compliance*[48] submitting the certified true copy of the *Certificate of Availment*[49] dated October 28, 2020.

In the Resolution[50] dated November 24, 2020, the Court directed respondent to submit within ten (10) days from notice, the original or certified true copy of the signature page evidencing approval by the majority member of the Compromise Agreement, with the concurrence of the CIR.

On December 4, 2020, respondent filed his *Compliance*[51] submitting the signature page evidencing approval of the majority member of the NEB of the compromise agreement with the concurrence of the CIR.

The said *Compliance* is hereby **NOTED**.

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[46] Docket (CTA Case No. 9833) – Vol. 3, p. 1182.
[47] Docket (CTA Case No. 9833) – Vol. 3, pp. 1183 to 1186.
[48] Docket (CTA Case No. 9833) – Vol. 3, pp. 1189 to 1190.
[49] Docket (CTA Case No. 9833) – Vol. 3, p. 1192.
[50] Docket (CTA Case No. 9833) – Vol. 3, pp. 1194 to 1195.
[51] Docket (CTA Case No. 9833) – Vol. 3, pp. 1196 to 1197.

In summary, the parties submitted the following documents:

a. *Compromise Agreement*[52] dated February 14, 2020, signed by Anthony Mark A. Gutierrez on behalf of petitioner Green Cross, Inc.; and by respondent Commissioner of Internal Revenue (CIR) Caesar R. Dulay, and attested to by (Ret.) Judge Nelson B. Bayot.

b. Secretary's Certificate dated April 30, 2018 indicating that petitioner authorized Anthony Mark A. Gutierrez to sign on behalf of petitioner the Compromise Agreement to be entered into by and between petitioner and the BIR.[53]

c. Certified true copies of BIR Forms No. 0605 and the corresponding eFPS Payment Confirmations evidencing payment of the total amount of ₱80,000,000.00;

d. Certified true copy of the *Certificate of Availment* dated October 28, 2020[54]; and

e. Certified true copy of the signature page evidencing approval by the majority member of the Compromise Agreement, with the concurrence of the CIR.[55]

Considering the submission of the above documents in support of the judicial compromise agreement, the Court shall now act on the parties' *Joint Motion for Approval of Compromise Agreement*.

The Compromise Agreement reads as follows:

"COMPROMISE AGREEMENT

Petitioner Green Cross, Inc. ("***GCI***") and Respondent Commissioner of Internal Revenue ("***CIR***"; together with GCI, the "***Parties***"), with the assistance of their respective counsels, respectfully enter into this Compromise Agreement under the following terms and conditions.

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[52] Docket (CTA Case No. 9833) – Vol. 3, pp. 1092 to 1095.
[53] Docket (CTA Case No. 9833) – Vol. 3, pp. 1088 to 1089.
[54] Docket (CTA Case No. 9833) – Vol. 3, p. 1192.
[55] Docket (CTA Case No. 9833) – Vol. 3, p. 1199.

WHEREAS, the CIR issued a Final Decision on Disputed Assessment dated January 5, 2018 (the "***2013 FDDA***") which denied GCI's Protest dated August 14, 2017 and sought to collect from GCI alleged deficiency excise tax and value-added tax ("***VAT***") on excise tax, compromise penalty, surcharge, and interest for taxable year 2013 in the aggregate amount of ₱195,855,850.21;

WHEREAS, on April 10, 2018, GCI received the CIR's letter dated April 6, 2018 (the "***April 6, 2018 Letter***") which denied GCI's request for reconsideration of the 2013 FDDA;

WHEREAS, GCI challenged the CIR's 2013 FDDA and April 6, 2018 Letter by filing a *Petition for Review* dated May 3, 2018 entitled *Green Cross, Inc. v. Commissioner of Internal Revenue*, docketed as CTA Case No. 9833 ("***CTA Case No. 9833***");

WHEREAS, the CIR issued a Formal Letter o Demand dated February 22, 2018 (the "***FLD***)" which sought to collect alleged deficiency excise tax and VAT on excise tax, compromise penalty, surcharge, and interest for taxable year 2014 in the aggregate amount of ₱159,484,465.01;

WHEREAS, on April 4, 2018, GCI filed its Protest to the FLD;

WHEREAS, the CIR issued its Final Decision on Disputed Assessment dated July 17, 2018 ("***2014 FDDA***") which denied GCI's protest and sought to collect from GCI alleged deficiency excise tax and VAT on excise tax, compromise penalty, surcharge, and interest for taxable year 2014 in the aggregate amount of ₱166,525,299.28.;

WHEREAS, GCI challenged the FLD and the 2014 FDDA by filing a *Petition for Review* dated December 21, 2018 entitled "*Green Cross Inc., v. Commissioner of Internal Revenue*, docketed as CTA Case No. 9994 (the "***CTA Case No. 9994***"; together with CTA Case No. 9833, the "***Cases***");

WHEREAS, this Honorable Court granted the consolidation of CTA Case Nos. 9833 and 9994 in its Resolution dated March 27, 2019 (in CTA Case No. 9833) rb an Order dated March 28, 2019 (in CTA Case No. 9994);

WHEREAS, pursuant to A.M. No. 11-1-05-SC-PHILJA and this Honorable Court's Resolution dated April 22, 2019, the Cases were referred to mediation before the Philippine Mediation Center- Court of Tax Appeals ("***PMC-CTA***") to allow the parties to explore the possibility of settlement;

WHEREAS, during the mediation proceedings before the PMC-CTA, the Parties have agreed to enter into this Compromise Agreement to put an end to the disputes and claims in connection with the case;

NOW THEREFORE, the Parties have agreed to execute this Compromise Agreement subject to the following terms and conditions:

1. GCI shall pay and the CIR shall accept the amount of pesos: Eighty Million (₱80,000,000.00) which is the equivalent of 43.5% of the basis assessed tax under the 2013 and 2014 FDDA plus 100% of the compromise penalties assessed therein, as full satisfaction of the 2013 and 2014 tax assessment subject to the approval of the Honorable Court;

2. The execution of this Compromise Agreement does not constitute as an admission of any fault, liability, obligation, or cause of action under the law or equity on the part of GCI.

3. The CIR hereby fully, absolutely, and irrevocably waives, renounces, and relinquishes all of his claims against GCI in connection with the subject matter of the cases.

4. The CIR warrants that he has the power and authority to execute, deliver, and perform this Compromise Agreement and that all consents, authorizations, approvals, or acts required for the execution, delivery, or performance of his obligations under the Compromise Agreement have been obtained and are binding and effective.

5. The Parties hereby declare and warrant that they had the opportunity to take independent legal

advice as to the nature and effect of their respective stipulations and obligations under this Compromise Agreement, that they have read and fully understood its language and its meaning, and that they have affixed their signatures hereunder voluntarily and freely with full and complete knowledge of the import and intent of this Compromise Agreement and of their rights under existing laws and rules on equity.

6. This Compromise Agreement shall immediately take effect upon approval of the Honorable Court.

7. If the Honorable Court disapproves this Compromise Agreement due to a defect which is capable of cure (the "*Curable Defect*"), the parties shall have the 30 days to cure the defect (the "*Remediation Period*") and seek another approval of the Honorable Court. The Remediation Period may be extended by mutual agreement of the Parties.

8. If (a) the defect is not capable of being cured by any of the Parties, or (b) the Curable Defect is not cured within the Remediation Period (or any extension thereto as may be agreed upon by the Parties), including, but not limited to, the failure to obtain the approval of the National Evaluation Board if so required by the Honorable Court, the amount already paid by GCI to the CIR shall immediately be deemed a tax credit which may be applied against internal revenue taxes for which GCI may be directly liable, as allowed under existing rules and regulations, as soon as this Compromise Agreement is disapproved by the Honorable Court.

IN WITNESS WHEREOF, the Parties have signed this Compromise Agreement this February 14, 2020.

GREEN CROSS, INC.	**COMMISSIONER OF INTERNAL REVENUE**
Petitioner	Respondent

By:

(Signed) **ANTHONY MARK A. GUTIERREZ** Authorized Representative	(Signed) **HON. CAESAR A. DULAY** Commissioner of Internal Revenue

ATTESTED BY:

(Signed)
(RET.) JUDGE NELSON B. BAYOT
Mediator
PMC-CTA

In light of the foregoing considerations, the Court finds the parties' *Joint Motion for Approval of Compromise Agreement* to be in order, as the same has been validly executed by the parties, and the terms and conditions specified therein as not contrary to law, morals, good customs, public order, and public policy.

A compromise is a contract whereby the parties, by making reciprocal concessions, avoid litigation or put an end to one already commenced.[56] It is an accepted and desirable practice in courts of law and administrative tribunals.[57] Settlement of disputes brought before the courts is, in fact, encouraged.[58]

It is settled that contracting parties may establish such stipulations, clauses, terms and conditions as they may deem convenient, provided that they are not contrary to law, morals, good customs, public order, or public policy. [59] Corollary thereto, once submitted to the court and stamped with judicial approval, a compromise agreement becomes more than a mere private contract binding upon the parties. Having the sanction of the court and entered as its determination of the controversy, it has the force and effect of any judgment.[60]

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[56] Civil Code, Art. 2028.
[57] *Far East Bank and Trust Co., Trust and Investment Group, and FEB Investment Inc., vs. Trust Union Shipping Corp. et. al.*, G.R. No. 154716, September 16, 2008, citing *Philippine National Oil Company-Energy Development Corporation (PNOC-EDC) vs. Abella,* G.R. No. 153904, January 17, 2005.
[58] *Viesca vs. Gilinsky*, G.R. No. 171698, July 4, 2007.
[59] Civil Code, Art. 1306.
[60] *Conchita A. Sonley vs. Anchor Savings Bank/Equicom Savings Bank*, G.R. No. 205623, Augusto 10, 2016.

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WHEREFORE, in light of the foregoing considerations, the parties' *Joint Motion for Approval of Compromise Agreement* filed on February 28, 2020 is hereby **GRANTED**. The *Compromise Agreement* dated February 14, 2020, entered into by the parties is hereby **APPROVED** and this **Judgment on Compromise Agreement** is hereby rendered in accordance therewith. The parties are hereby enjoined to faithfully comply with all the terms and conditions of the aforesaid *Compromise Agreement*.

Accordingly, this case is now deemed **CLOSED AND TERMINATED.**

The Pre-Trial Conference previously scheduled on January 27, 2021 is hereby **CANCELLED**.

SO ORDERED.

ERLINDA P. UY
Associate Justice

MA. BELEN M. RINGPIS-LIBAN
Associate Justice

MARIA ROWENA MODESTO-SAN PEDRO
Associate Justice