REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

SPECIAL SECOND DIVISION

IMASEN PHILIPPINE MANUFACTURING CORPORATION, Petitioner,	**CTA CASE NO. 10402**
	Members:
- versus -	**RINGPIS-LIBAN,** *P.J., Chairperson,* **MODESTO-SAN PEDRO,** and **FERRER-FLORES,** *JJ.*
COMMISSIONER OF INTERNAL REVENUE, Respondent.	Promulgated: 10:47 AM

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RESOLUTION

FERRER-FLORES, J.:

Before this Court is petitioner's **Motion to Release Cash Bond** filed on January 8, 2026, with respondent's **Comment and Opposition (Re: Motion to Release Cash Bond dated 08 January 2026)** filed on February 10, 2026.

To recall, in a Resolution dated May 25, 2022, the Court granted petitioner's motion to suspend the collection of tax, subject to the posting of a cash bond equivalent to the amount being collected or a surety bond equal to one and a half of the assessment. Petitioner posted a cash bond in the amount of ₱24,093,759.50, which the Court approved on September 27, 2022. Consequently, respondent, including its officers and employees, was enjoined from collecting or attempting to collect on the basis of the subject assessment notices until further orders of the Court. Petitioner's *Motion to Lift Warrants of Garnishment* was likewise granted, and the Warrants of Garnishment issued to the concerned banks were lifted.

After trial on the merits, the Court promulgated a Decision on July 8, 2025 granting the *Amended Petition for Review* and cancelling the assessment issued by respondent for deficiency taxes for taxable year 2016. Respondent, thereafter, filed a *Motion for Reconsideration (Re: Decision promulgated on 08 July 2025)*, which the Court denied for lack of merit in the Resolution dated December 15, 2025.

In its *Motion*, petitioner prays for the release of its cash bond, pointing out that the Court, after trial, found respondent to have violated petitioner's right to due process when it issued the Final Letter of Demand (FLD). Petitioner explains that the purpose of the required cash or surety bond is to ensure payment of the tax due if the case is ultimately decided against the taxpayer. In this case, however, the Court invalidated the deficiency tax assessments for having been issued in violation of petitioner's right to due process. Petitioner emphasizes that, as the Court ruled, a void assessment bears no valid fruit and can never attain finality. Since tax collection is premised on a valid assessment, the absence of the latter means non-existence of the former.

Petitioner further argues that the requirement of a cash or surety bond under Section 11 of Republic Act (R.A.) No. 1125[1] presupposes the existence of a valid assessment that may be summarily collected. Petitioner also points out that under the same law, this Court has the authority to dispense with the bond requirement when tax collection jeopardizes the interests of the taxpayer for being in violation of law.

Respondent, on the other hand, contends that he received a copy of this Court's Resolution dated December 15, 2025, which denied his *Motion for Reconsideration*, on January 7, 2026. Thereafter, on January 20, 2026, respondent filed a *Motion for Extension to File Petition for Review* before the Court *En Banc*, and subsequently, on February 5, 2026, filed the *Petition for Review* entitled "*Commissioner of Internal Revenue vs. Imasen Philippine Manufacturing Corporation*", docketed as CTA EB No. 3284. Respondent argues that, with the filing of the said *Petition for Review*, the decision of this Court has not yet become final. Consequently, respondent contends that the purpose for which the cash bond was posted still exist.

Respondent further maintains that the requirement of posting a bond is in favor of the government and strictly against the taxpayer, such that petitioner must justify, by the clearest grant of organic or statutory law, its entitlement to relief from the bond requirement, something petitioner allegedly failed to do. Respondent adds that releasing the cash bond will imperil the interest of the government as this will practically render nugatory the right of the BIR to enforce the collection of deficiency tax assessed. The

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[1] An Act Creating the Court of Tax Appeals.

bond, respondent emphasizes, is intended to protect the interest of the government by securing the payment of the assessed taxes should judgment ultimately be rendered in its favor.

Petitioner's *Motion* should be denied.

Section 18 of R.A. No. 1125, as amended, expressly grants a party adversely affected by a resolution of a Division of the CTA the right to file a petition for review with the Court *En Banc*, *viz.*:

> SEC. 18. *Appeal to the Court of Tax Appeals En Banc.* — No civil proceeding involving matters arising under the National Internal Revenue Code, the Tariff and Customs Code or the Local Government Code shall be maintained, except as herein provided, until and unless an appeal has been previously filed with the CTA and disposed of in accordance with the provisions of this Act.
>
> **A party adversely affected by a resolution of a Division of the CTA on a motion for reconsideration or new trial, may file a petition for review with the CTA *en banc*.** (*Emphasis supplied*)

Further, Section 3(b), Rule 8 of the Revised Rules of the Court of Tax Appeals (RRCTA), provides that a party adversely affected by a decision or resolution of a Division of the Court on a motion for reconsideration or new trial may appeal to the Court *En Banc* by filing a petition for review within 15 days from receipt of a copy of the assailed decision or resolution.

It bears emphasis that the perfection of an appeal in the manner and within the period prescribed by law is mandatory and failure to conform to the rules regarding appeal will render the judgment final and executory and, hence, unappealable.[2] Thus, a judgment or resolution of this Court becomes final and executory when no appeal or motion for reconsideration or new trial is filed within the reglementary period.[3]

Applying the foregoing to the present case, the Resolution of the Court on the motion for reconsideration filed by respondent will only become final and executory if the party adversely affected fails to timely file an appeal.

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[2] *Lapulapu Development and Housing Corporation vs. Group Management Corporation*, G.R. No. 141407, September 9, 2002.

[3] Section 6, Rule 14 of the RRCTA:
Section 6. Entry of judgment and final resolution. – **If no appeal or motion for reconsideration or new trial is filed within the time provided in these Rules, the Clerk of Court shall forthwith enter the judgment or final resolution in the book of judgment.** The date when the judgment or final resolution becomes executory shall be deemed the date of its entry. The entry shall contain the dispositive part of the judgment or final resolution and shall be signed by the Clerk of Court, with a certification that such judgment or resolution has become final and executory. (*Emphasis supplied*)

Records show that respondent received this Court's Resolution dated December 15, 2025, denying its *Motion for Reconsideration*, on January 7, 2026. Counting 15 days from receipt, respondent had until January 22, 2026 to file a *Petition for Review* before the Court *En Banc*.

On January 20, 2026, respondent filed a *Motion for Extension of Time to file a Petition for Review*, praying that it be granted an additional period of 15 days from January 22, 2026 or until February 6, 2026, within which to file his *Petition for Review*, which was granted by the Court in the Resolution dated January 21, 2026.

Respondent thereafter filed a *Petition for Review* on February 5, 2026. Thus, with the appeal pending before the Court *En Banc*, the decision of this Court has not yet become final and executory, and the motion for release of the cash bond must consequently be denied.

ACCORDINGLY, petitioner's **Motion to Release Cash Bond** filed on January 8, 2026 is **DENIED** for lack of merit.

SO ORDERED.

CORAZON G. FERRER-FLORES
Associate Justice

WE CONCUR:

MA. BELEN M. RINGPIS-LIBAN
Presiding Justice

MARIA ROWENA MODESTO-SAN PEDRO
Associate Justice