REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

THIRD DIVISION

PEOPLE OF THE PHILIPPINES, *Plaintiff,*	**CTA Criminal Case No. O-131** For: Unlawful Importation under Sec. 3601 of the Tariff and Customs Code in rel. to Sec. 1503 and 2503 of the same Code
- versus -	Members:
MEDARDO T. BANGLOS and (Blk. 15 Lot 14, Gardenville Subd., Calzadang Bago, Imus, Cavite)	**MANAHAN**, *Chairperson,* **REYES-FAJARDO**, *and* **ANGELES**, *JJ.*
EDDIE PORTARCOS, (Nazareno St., Poblacion Uno, Banzalan, Davao Del Sur) *Accused.*	Promulgated: JUL 30 2024 11:42 a.m.

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RESOLUTION

On March 27, 2009, an Information was filed against accused Medardo T. Banglos and Eddie Portarcos, charging them for violation Section 3601, in relation to Sections 1503 and 2503, of the Tariff and Customs Code of the Philippines (TCCP), as amended. The accusatory portion of which states:

> That on or about March 31, 2008, in the City of Manila, Philippines, and within the jurisdiction of this Honorable Court, the above-named accused, conspiring, confederating and cooperating with each other, did then and there willfully, unlawfully and feloniously, imported **sugar** from Thailand via Cotabato City with markings "Thailand Refined Sugar (50kgs./sack) Korach Industrial Co., Int'l." loaded in 6x20' container vans to Manila, with a total value of Eleven Million One Hundred Sixty-Four Thousand Nine Hundred Twenty Four and 59/100 Pesos (Php 11,164,924.59), and **not yellow corn as declared** under Bills of Lading Nos. 17774787, 17774789, 17774791, 17774794,

17774798 and 17774801, shipped by accused **EDDIE PORTARCOS** from Cotabato City and consigned to co-accused **MEDARDO T. BANGLOS** in Manila, which upon examination of the shipment turned out to be sugar, **without any import license or permit** from the Sugar Regulatory Authority and **import entry** being filed, thereby **avoiding payment of duties and taxes** in the total amount of Five Million Sixty Two Thousand Sixteen Pesos (PhP 5,062,016.00), to the prejudice of the Philippine government and in violation of the aforementioned law.

CONTRARY TO LAW.

This case merits dismissal.

Section 7(b)(1) of Republic Act (RA) No. 1125, as amended by RA No. 9282, reads:

Sec. 7. Jurisdiction. - The CTA shall exercise:

...

b. Jurisdiction over cases involving criminal offenses as herein provided:

1. Exclusive original jurisdiction over all criminal offenses arising from violations of the National Internal Revenue Code or **Tariff and Customs Code** and other laws administered by the Bureau of Internal Revenue or the Bureau of Customs: Provided, however, That offenses or felonies mentioned in this paragraph where the principal amount of taxes and fees, **exclusive of charges and penalties**, claimed is less than One million pesos (P1,000,000.00) or where there is no specified amount claimed shall be tried by the regular Courts and the jurisdiction of the CTA shall be appellate. ...[1]

Relatedly, Section 3(b)(1), Rule 4[2] of the Revised Rules of the Court of Tax Appeals (RRCTA)[3] clarified that the CTA in Division

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1 Boldfacing supplied.

2 SECTION 3. *Cases Within the Jurisdiction of the Court in Divisions.* — The Court in Divisions shall exercise:

...

(b) Exclusive jurisdiction over cases involving criminal offenses, to wit: | | |

(1) Original jurisdiction over all criminal offenses arising from violations of the National Internal Revenue Code or **Tariff and Customs Code** and other laws administered by the Bureau of Internal Revenue or the Bureau of Customs, where the principal amount of

possesses exclusive original jurisdiction over tax criminal offenses, provided the following conditions concur: *first,* the offense charged pertain to, among others, violation of the TCCP; and *second,* the principal amount of taxes and fees claimed, *exclusive of charges and penalties* is at least ₱1,000,000.00. In turn, the jurisdiction of a court over a criminal case is determined by the allegations in the complaint or information. Once it is so shown, the court may validly take cognizance of the case. [4]

Indeed, the Information dated March 25, 2009 charged accused for violation of Section 3601, in relation to Sections 1503 and 2530 of the TCCP, as amended. Stated therein is the amount of the approximate value of the alleged imported articles in the amount of Eleven Million One Hundred Sixty-Four Thousand Nine Hundred Twenty-Four and 59/100 Pesos (Php 11,164,924.59) and principal duties and taxes in the amount of Five Million Sixty-Two Thousand Sixteen Pesos (Php 5,062,016.00).

Yet, these averments hardly suffice to bestow the Court with jurisdiction over CTA Crim. Case No. O-131. Ponder on these points:

First. Section 7(b)(1) of RA No. 1125, as amended by RA No. 9282, in relation to Section 3(b)(1), Rule 4 of the RRCTA commands that the customs duties and taxes must be *exclusive* of charges and penalties. No such averment is found in the Information.

Second. Section 3519 of the TCCP defines taxes as follows:

> SEC. 3519. Words and Phrases Defined. - As used in this Code:
>
> . . .
>
> "Taxes" includes all **taxes, fees and charges** imposed by the Bureau of Customs and the Bureau of Internal Revenue;[5]

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taxes and fees, exclusive of charges and penalties, claimed is one million pesos or more; ... Boldfacing supplied.

3 A.M. No. 05-11-07-CTA.

4 *Cabral v. Bracamonte,* G.R. No. 233174, January 23, 2019.

5 Boldfacing supplied.

Since the Information *failed* to expressly state that the amount of Php 5,062,016.00, pertaining to principal duties and taxes, is *exclusive* of charges and penalties, the taxes referred to therein are understood as taxes, fees and charges, based on Section 3519 of the TCCP.

In sum, the allegations in the prosecution's Information failed to demonstrate the Court's jurisdiction over this case. For this reason, dismissal of CTA Crim. Case No. O-131 is in order.

WHEREFORE, CTA Criminal Case No. O-131 is withdrawn from the archives and accordingly **DISMISSED** for lack of jurisdiction.

SO ORDERED.

Catherine T. Manahan

CATHERINE T. MANAHAN
Associate Justice

Marian Ivy F. Reyes-Fajardo

MARIAN IVY F. REYES-FAJARDO
Associate Justice

HENRY S. ANGELES
Associate Justice