REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

EN BANC

ALLAN U. GARCIA,
Petitioner,

CTA *EB* NO. 2929
(CTA CASE NO. 9971)

Present:

RINGPIS-LIBAN, *Acting P.J.,*
MANAHAN,
BACORRO-VILLENA,
MODESTO-SAN PEDRO,
REYES-FAJARDO,
CUI-DAVID,
FERRER-FLORES, *and*
ANGELES, *JJ.*

\- *versus* -

THE COMMISSIONER OF CUSTOMS,
Respondent.

Promulgated:
DEC 03 2025 4:15 pm

x - x

DECISION

MANAHAN, *J.*:

Before the Court *En Banc* is a *Petition for Review* filed on June 10, 2024[1] by petitioner Allan U. Garcia, seeking to reverse and set aside the Decision[2] dated October 12, 2023 and the Resolution dated May 15, 2024, among others, of the Court of Tax Appeals (CTA) Special Second (2nd) Division.

For easy reference, the dispositive portion of the October 12, 2023 Decision reads:

> **WHEREFORE**, premises considered, the instant *Petition for Review* is **DISMISSED** for lack of jurisdiction.
>
> **SO ORDERED.**

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[1] EB Docket, pp. 1-19.
[2] Penned by Associate Justice Lanee S. Cui-David, with Associate Justice Jean Marie A. Bacorro-Villena concurring, EB Docket, pp. 22-36.

On the other hand, the dispositive portion of the May 15, 2024 Resolution reads:

> **WHEREFORE**, premises considered, petitioner's *Motion for Reconsideration (Re: Decision dated 12 October 2023)* is **DENIED** for lack of merit.
>
> **SO ORDERED**.

FACTS

The following are the facts as found by the Court in Division:

> As an Overseas Filipino Worker (OFW), petitioner sought to import into the country his personal motor vehicle, a White 2012 Lamborghini Gallardo with Chassis No. ZHWGE71J7CLA11526, purchased from Mega Star Motors in Dubai, United Arab Emirates (UAE).
>
> Petitioner's importation of the subject motor vehicle was covered by Bill of Lading No. HDMUAEMLO239915 and arrived at the MICP on May 17, 2017. On even date, petitioner filed Import Entry No C-129428-17 through his customs broker, Christian G. Lao.
>
> Thereafter, through a First (1st) Indorsement dated May 22, 2017, then MICP's District Collector, Atty. Vincent Philip C. Maronila (Atty. Maronila) forwarded the documents to the Director of Import Assessment Service (IAS) for value verification and clearance under Customs Memorandum Circular No. 70-2014, dated May 30, 2014.
>
> On June 2, 2017, an Authority to Release Imported Goods (ATRIG) was approved by the Bureau of Internal Revenue (BIR) for the subject motor vehicle. On even date, then IAS Director Milo D. Maestrecampo (Dir. Maestrecampo) issued a *Memorandum* recommending that the value of the imported motor vehicle be set at US$68,388.00 instead of the declared Free on Board (FOB) value of US$62,629.00.

Unfortunately, petitioner failed to process his shipment within the reglementary period. As such, the shipment was tagged 'abandoned.'

On June 29, 2017, petitioner filed a *Request for Continuous Processing of Entry,* which was approved the following day.

Again, petitioner failed to process his shipment within the allotted time. As such, the shipment was tagged anew as 'abandoned.'

In December 2017, petitioner requested anew for *Continuous Processing,* which Atty. Balmyrson M. Valdez (Atty. Valdez), Acting District Collector of MICP, approved on January 30, 2018, upon the recommendation of Michael Angelo D. Vargas (Mr. Vargas), then Acting Deputy Collector for Operations, MICP.

Petitioner was then given an assessment notice *via* Customs electronic to mobile (Customs E2M) for Php3,940,093.00, which he allegedly paid on February 1, 2018.

Subsequently, on February 5, 2018, Atty. Valdez issued *Alert Order No. A/MI/20180205-028* against the subject vehicle for suspected violations of Customs Administrative Order (CAO) No. 08-2007, Customs Memorandum Order (CMO) No. 28-2007, Revenue Regulations (RR) Nos. 2-2016 and 25-2003 and Section 1400, in relation to Section 1113 of the Customs Modernization and Tariff Act (CMTA).

On February 13, 2018, Atty. Valdez issued a *Warrant of Seizure and Detention* (WSD) against the subject vehicle on the ground that the subject shipment was grossly undervalued and that the invoice submitted in support thereof was spurious.

On February 20, 2018, an *Amended Warrant of Seizure and Detention* (AWSD) was issued.

Several hearings were then held before the Law Division of the MICP.

Thereafter, MICP's District Collector, Atty. Vener S. Baquiran (Atty. Baquiran) issued the *assailed Order* dated June 19, 2018, declaring the subject vehicle forfeited in favor of the government.

Unable to agree, petitioner filed a Notice of Appeal with the District Collector of MICP, attaching a *Memorandum of Appeal* and the Appeal Fee evidenced by Official Receipt No. 01892241186, on June 24, 2018.

On June 26, 2018, the District Collector of MICP forwarded the *Notice of Appeal* with the entire case folder to respondent for review and consideration.

On September 18, 2018, petitioner received the equally *assailed Order* dated September 10, 2018, denying his appeal.

Hence, petitioner elevated his case before the Court *via* the instant *Petition for Review* filed through registered mail on October 18, 2018, and received by the Court on November 8, 2018.

xxx xxx xxx

The *Summons* was then issued to respondent on June 20, 2019.

On August 30, 2019, petitioner filed a *Motion to Allow Settlement by Redemption*, to which respondent was ordered to file his comment within ten (10) days from notice.

On November 26, 2019, the Court issued a Resolution denying petitioner's *Motion to Allow Settlement by Redemption*.

On December 18, 2020, petitioner was given fifteen (15) days from notice to take appropriate action to properly litigate this case, considering that respondent has filed no Answer despite the lapse of the period granted.

Thereafter, or on January 28, 2021, petitioner filed a *Motion to Declare Defendant in Default and Render Judgment.*

In the Resolution dated February 10, 2021, petitioner was directed to submit, within ten (10) days from notice, the registry return card or a *Postmaster's Certificate* to prove that respondent was duly notified of the motion to declare him in default.

The Court granted petitioner's *Motion to Declare Defendant in Default* in the Resolution promulgated on June 22, 2021. However, petitioner's *Motion to Render Judgment* was denied as the Court found it necessary for petitioner to present *ex-parte* evidence to prove his allegations.

During the *ex-parte* presentation of evidence, petitioner presented his lone witness, Ms. Balarbar-Li, who testified by way of a Judicial Affidavit.

Ms. Balarbar-Li testified that petitioner is an OFW based in the UAE. In 2017, he purchased a second-hand 2012 Lamborghini Gallardo in UAE, which was imported into the Philippines under Bill of Lading No. HDMUAEMLO239915 with petitioner as the designated consignee. He secured the services of a customs broker, Mr. Lao, to process the *Import Entry* for his vehicle numbered C-129428-17. All the requisite documents were given to Mr. Lao, including Mega Star Motors (L.L.C.) *Receipt Voucher No. 1298* in the amount of UAE Dirhams 230,000.00. However, in the *Memorandum* dated June 2, 2017, issued by Dir. Maestrecampo of the IAS, it was recommended that the valuation of the subject vehicle be set at US$68,388.00 instead of the declared FOB of US$62,629.00. He was not able to pay on time the duties and taxes that were assessed on his importation. He again requested continuous processing through his authorized representative in December 2017, which Atty. Valdez approved in a *Memorandum* dated January 30, 2018, upon the recommendation of Mr. Vargas, Acting Deputy

Collector for Operations of the MICP. Thereafter, he was given an Assessment Notice of Php3,940,093.00 *via* the BOC's electronic-to-mobile system (E2M), which was paid on February 1, 2018, as evidenced by a debit from his bank account. After he paid the assessment, he was surprised to learn that *Alert Order No. A/MI/20180205-028*, dated February 5, 2018, was issued against his imported vehicle. Shortly thereafter, a Report of Seizure dated February 12, 2018, and an *Amended Warrant of Seizure and Detention* with Case No. 010-2018 dated February 20, 2018, were issued against his imported vehicle. Hearings were held before the Law Division of the MICP, and eventually, petitioner was directed to submit his *Position Paper* in the Seizure Identification Case No. 010-2018 proceedings.

Ms. Balarbar-Li further testified that on June 19, 2018, MICP District Collector Atty. Baquiran issued an *Order* directing the forfeiture of petitioner's shipment in favor of the government, which he appealed before the COC by way of a *Notice of Appeal* and *Memorandum of Appeal*, both dated June 24, 2018. Pending appeal with the COC, he submitted his *Affidavit of Explanation* dated May 30, 2018. On September 18, 2018, the COC issued the assailed *Order* denying petitioner's appeal and affirming the *Order* of the District Collector, MICP, dated June 19, 2018, prompting petitioner to elevate his case before the Court.

There being no more witness to present, on March 25, 2022, petitioner filed his Formal Offer of Documentary Evidence, praying for the Court to admit into evidence his Exhibits P-1 to P-15, including sub-markings.

xxx xxx xxx

On October 12, 2022, the Court issued a Resolution admitting, *albeit* partially, petitioner's *Formal Offer of Documentary Evidence*. Further, the Court resolved to submit the case for decision considering petitioner's *Manifestation (Re: Memorandum for the Petitioner)* filed on April 25, 2022, which the Court noted in a *Minute Resolution* dated April 27, 2022.

On October 12, 2023,[3] the Court in Division denied the Petition for lack of jurisdiction for being filed out of time.

On November 13, 2023, petitioner filed his Motion for Reconsideration (Re: Decision dated 12 October 2023).[4] On May 15, 2024,[5] the CTA Special 2nd Division issued a Resolution denying petitioner's Motion for Reconsideration for lack of merit.

On June 10, 2024,[6] petitioner filed the present Petition for Review.

On June 28, 2024,[7] the Court *En Banc* issued a Minute Resolution directing respondent to file his Comment to the Petition for Review. On September 20, 2024, respondent filed his Comment (To Petitioner's Petition for Review dated 23 May 2023).[8] Meanwhile, the Court *En Banc* admitted respondent's Comment, among others, in the Resolution dated August 18, 2025.

On November 12, 2024,[9] the Court *En Banc* issued a Resolution submitting the case for decision. Hence, this Decision.

ISSUES

The issues to be resolved in this case are: (1) whether the CTA has jurisdiction over the case; and (2) whether petitioner is entitled to the recovery of the property subject of the forfeiture proceedings.

RULING OF THE COURT

The instant Petition is bereft of merit.

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[3] See Note 2.
[4] See Note 1.
[5] Division Docket, pp. 418-422.
[6] See Note 1.
[7] EB Docket, p. 141.
[8] EB Docket, pp. 150-165.
[9] EB Docket, p. 170.

In ruling that the CTA has no jurisdiction over the instant case for being filed out of time, the Court in Division reasoned that:

> xxx a person aggrieved by the decision of the District Collector has fifteen (15) days from receipt of the same to file a written notice of appeal before the Commissioner, who shall review and decide the appeal **within thirty (30) days from receipt of the records of the case. If no decision is rendered after the said 30-day period, the decision of the District Collector under appeal shall be deemed affirmed**.
>
> In the instant case, records reveal that upon receipt of petitioner's *Notice of Appeal* on June 24, 2018, the District Collector of MICP, Atty. Baquiran forwarded the same with the entire case folder to respondent Commissioner of Customs on June 26, 2018. Following the above-quoted provision, respondent had thirty (30) days from June 26, 2018, or until July 26, 2018, to decide on petitioner's appeal. However, no decision was rendered by respondent within the prescribed 30-day period. Only on September 10, 2018, after seventy-six (76) days, or way beyond the prescribed 30-day period, did respondent decide on the petitioner's appeal.
>
> Considering that respondent failed to render a decision within the 30 days prescribed by law, the District Collector's decision was deemed affirmed on July 26, 2018. Hence, petitioner had thirty (30) days therefrom to file a petition before this Court.
>
> While respondent rendered a decision on petitioner's appeal on September 10, 2018, said decision is no longer controlling as the decision of the District Collector was deemed affirmed by him on July 26, 2018, by operation of law. Besides, the law only gives respondent 30 days to decide on petitioner's appeal. Hence, a decision rendered *outside* of the said period has no force and effect as the decision of the District Collector under appeal is 'deemed affirmed' by operation of law.
>
> Counting thirty (30) days from July 26, 2018, petitioner had until August 25, 2018, to file an appeal before this Court *via* a *Petition for Review*. Unfortunately, it was only on October 18, 2018, that petitioner filed his *Petition for Review*. Hence, the same was filed *out of time*.[10]

The appeal before the CTA was filed out of time

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[10] See Note 2, pp. 34-35.

The *"deemed affirmed"* provision referred to in the assailed Decision is provided for under Section 1126 of the Customs Modernization and Tariff Act (CMTA). It states:

> Sec. 1126. *Appeal to the Commissioner.* — In forfeiture cases, the person aggrieved by the decision of a District Collector may, within fifteen (15) days or five (5) days in case of perishable goods, from receipt of the decision, file a written notice of appeal, together with the required appeal fee to the District Collector, furnishing a copy to the Commissioner. The District Collector shall immediately transmit all the records of the proceedings to the Commissioner, who shall review and decide on the appeal within thirty (30) days from receipt of the records, or fifteen (15) days in the case of perishable goods: Provided, **That if within thirty (30) days, no decision is rendered, the decision of the District Collector under appeal shall be deemed affirmed.** An appeal filed beyond the period herein prescribed shall be dismissed xxx

As found by the Court in Division, records show that respondent Commissioner failed to render a decision within 30 days from June 26, 2018, or until July 26, 2018. Thus, the Court in Division applied the *"deemed affirmed"* provision under the above-quoted law to determine the reckoning point for counting the period to appeal before the CTA.

The Court *En Banc* agrees with the findings of the Court in Division.

Indeed, the *"deemed affirmed"* provision is considered as the decision of the COC contemplated under the exclusive appellate jurisdiction of the CTA. Section 7(4) of Republic Act (RA) No. 1125, as amended, pertinently provides:

> SEC. 7. *Jurisdiction.* – The CTA shall exercise:
>
> (a) Exclusive appellate jurisdiction to review by appeal, as herein provided:
>
> xxx xxx xxx
>
> (4) Decisions of the Commissioner of Customs in cases involving xxx forfeitures xxx;

Meanwhile, Section 11 of RA No. 1125, as amended, provides the period to file an appeal before the CTA, as follows: *on*

> SEC. 11. *Who May Appeal; Mode of Appeal; Effect of Appeal.* – Any party adversely affected by a decision, ruling or inaction of xxx the Commissioner of Customs, xxx may file an appeal with the CTA within thirty (30) days after the receipt of such decision or ruling xxx

Applying the above-quoted provisions, petitioner had 30 days from July 26, 2018, or until August 25, 2018, within which to file the appeal on the *"deemed affirmed"* decision of the COC.

In the instant case, petitioner filed the subject appeal before the Court in Division only on October 18, 2018. Considering the foregoing, the Court *En Banc* finds that petitioner's appeal was indeed filed out of time.

As a side note, the Court *En Banc* observes that, based on the allegations of the Petition, respondent COC belatedly issued the *assailed* Order dated September 10, 2018. While the same may fall within the category of an adverse decision appealable to the CTA, there is no law or rule which allows the filing of an appeal before the CTA against a belatedly issued adverse decision of the COC. Hence, the Court *En Banc* is constrained to apply the provisions of Section 1126 of the CMTA, in relation to Sections 7(4) and 11 of RA No. 1125, as amended.

ACCORDINGLY, the instant Petition for Review is **DENIED**, for lack of merit. The *Decision* dated October 12, 2023 and the *Resolution* dated May 15, 2024, respectively, of the CTA Special 2nd Division are **AFFIRMED**.

SO ORDERED.

CATHERINE T. MANAHAN
Associate Justice

WE CONCUR:

MA. BELEN M. RINGPIS-LIBAN
Acting Presiding Justice

JEAN MARIE A. BACORRO-VILLENA
Associate Justice

(On Leave)
MARIA ROWENA MODESTO-SAN PEDRO
Associate Justice

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

LANEE S. CUI-DAVID
Associate Justice

CORAZON G. FERRER-FLORES
Associate Justice

(Kindly see my Dissenting Opinion)
HENRY S. ANGELES
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.

MA. BELEN M. RINGPIS-LIBAN
Acting Presiding Justice

REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

EN BANC

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Petitioner,

- *versus* -

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Respondent.

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Present:

RINGPIS-LIBAN, *Acting P.J,*
MANAHAN,
BACORRO-VILLENA,
MODESTO-SAN PEDRO,
REYES-FAJARDO,
CUI-DAVID,
FERRER-FLORES, and
ANGELES, *JJ.*

Promulgated:
DEC 03 2025 4:47

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DISSENTING OPINION

ANGELES, J.:

With due respect, I am constrained to withhold my concurrence from the pronouncement of the *ponencia*, which denied the Petition for Review for lack of merit.

The *ponencia* sustains the ruling of the Court in Division that it did not acquire jurisdiction over the case. The *ponencia* anchors its conclusion on the view that "the 'deemed affirmed' provision is considered as the decision of the COC contemplated under the exclusive appellate jurisdiction of the Court of Tax Appeals (CTA)."

Thus, because the District Collector of the Manila International Container Port (MICP) transmitted the notice of appeal and corresponding records to the Commissioner of Customs (COC) on June 26, 2018, the District Collector's order is deemed affirmed thirty (30) days thereafter, or on July 26, 2018. On this premise, the *ponencia* concludes that petitioner had only until August 25, 2018 to appeal to the CTA, rendering the Petition for Review filed on October 18, 2018 out of time.

The ponencia further asserts that although the assailed Order dated September 10, 2018 may constitute an adverse decision appealable to the CTA, there is supposedly no law or rule authorizing an appeal to the CTA from an "adverse but belatedly issued" decision of the COC.

I respectfully submit the following considerations in support of this dissent.

The "deemed affirmed" provision under the CMTA has to be read in conjunction with the CTA Law.

Section 7(a)(4) of Republic Act (RA) No. 1125, as amended (CTA Law), expressly vests the CTA with exclusive appellate jurisdiction to review decisions of the COC, to wit:

> SEC. 7. Jurisdiction. — The CTA shall exercise:
>
> (a) Exclusive appellate jurisdiction to review by appeal, as herein provided:
>
> (4) Decisions of the Commissioner of Customs in cases involving liability for customs duties, fees or other money charges, seizure, detention or release of property affected, fines, forfeitures or other penalties in relation thereto, or other matters arising under the Customs Law or other laws administered by the Bureau of Customs;

Likewise, Section 11 of the same law provides:

> SEC. 11. Who May Appeal; Mode of Appeal; Effect of Appeal. — **Any party adversely affected by a decision, ruling or inaction of** the Commissioner of Internal Revenue, **the Commissioner of Customs**, the Secretary of Finance, the Secretary of Trade and Industry or the Secretary of Agriculture or the Central Board of Assessment Appeals or the Regional Trial Courts **may file an appeal with the CTA within thirty (30) days after the receipt of such decision or ruling or after the expiration of the period fixed by law for action** as referred to in Section 7(a)(2) herein.

The foregoing provisions unmistakably affords the taxpayers two alternative remedies:

1. To appeal within thirty (30) days from the receipt of the COC's decision; or
2. To appeal upon the expiration of the statutory period for the COC to act (inaction).

By contrast, Section 1126 of the Customs Modernization and Tarriff Act (CMTA) states that:

> SEC. 1126. Appeal to the Commissioner. – In forfeiture cases, the person aggrieved by the decision of a District Collector may, within fifteen (15) days or five (5) days in case of perishable goods, from receipt of the decision, file a written notice of appeal, together with the required appeal fee to the District Collector, furnishing a copy to the Commissioner. The District Collector shall immediately transmit all the records of the proceedings to the Commissioner, who shall review and decide on the appeal within thirty (30) days from receipt of the records, or fifteen (15) days in the case of perishable goods: Provided, That **if within thirty (30) days, no decision is rendered, the decision of the District Collector under appeal shall be deemed affirmed**. An appeal filed beyond the period herein prescribed shall be dismissed. (Emphasis supplied)
>
> Appeals to protest cases shall be governed by Section 114 of this Act.
>
> The decision of the Commissioner may be served through the recognized modes of service under existing law. xxx

This provision merely defines the consequence of the COC's inaction. Therefore, it should not limit the taxpayer's remedy to file an appeal with the CTA exclusively to the COC's inaction.

It is respectfully submitted that, to give full force and effect to the relevant provisions of both the CMTA and the CTA Law, and in order to harmonize the same, the Court must acknowledge the taxpayer's option to appeal either the COC's decision or his inaction.

The Court has jurisdiction over the Petition for Review.

It is the duty of the Court to apply the law the way it is worded. Basic is the rule of statutory construction that when the law is clear and unambiguous, the court is left with no alternative but to apply the same according to its clear language. The courts can only pronounce what the law is and what the rights of the parties thereunder are.[1]

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[1] *H. Villarica Pawnshop, Inc. v. Social Security Commission*, G.R. No. 228087, January 24, 2018.

A statute is deemed ambiguous if it is admissible of two or more possible meanings, in which case, the Court is called upon to exercise one of its judicial functions, which is to interpret the law according to its true intent.[2] Otherwise, from the words of a statute there should be no departure.[3]

In the present case, Section 1126 of the CMTA is clear that if within thirty (30) days from receipt of the records transmitted by the District Collector, no decision is rendered by the COC, the decision of the District Collector under appeal shall be deemed affirmed. Accordingly, when the "deemed affirmed" provision is construed in harmony with Section 11 of the CTA Law, it becomes evident that it merely prescribes the effect of the COC's inaction and it does not constitute the COC's actual decision on the matter.

It bears reiterating that Section 11 of the CTA Law grants the taxpayer two (2) distinct remedies for appeal in customs cases, namely: (1) to file an appeal with the CTA within thirty (30) days from receipt of the COC's actual decision; or (2) to file an appeal upon the expiration of the period fixed by law for the COC to act.

In other words, the taxpayer may appeal the COC's decision within thirty (30) days from the receipt of such decision or he may appeal the "deemed affirmed" decision of the COC due to the expiration of the thirty (30)-day period given to the COC under the CMTA. To rule otherwise would deprive the taxpayer the remedy given to him under Section 11 of the CTA Law to appeal the decision of the COC to the CTA.

In the present case, petitioner opted to appeal the COC's actual decision rather than its inaction. Petitioner received the COC's Order denying his appeal on September 18, 2018. Counting thirty (30) days therefrom, petitioner had until October 18, 2018 within which to file his Petition for Review. Accordingly, the Petition for Review filed on October 18, 2018 was timely filed.

HENRY S. ANGELES
Associate Justice

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[2] *Coca-Cola Bottlers Philippines, Inc. v. Commissioner of Internal Revenue*, G.R. No. 222428, February 19, 2018.
[3] *Camp John Hay Development Corp. v. Central Board of Assessment Appeals*, G.R. No. 169234, October 02, 2013.