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REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
MANILA

May 31, 1963

PHILIPPINES INTERNATIONAL
SURETY CO., INC.,
Petitioner,

- versus - C.T.A. CASE NO. 760

COMMISSIONER OF CUSTOMS,
Respondent.

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D E C I S I O N

This is an appeal by petitioner Philippines International Surety Co., Inc., the surety of Jacinto D. Salva, from the decision of the Commissioner of Customs dated February 12, 1960 ordering petitioner and Jacinto D. Salva to pay, jointly and severally, the total amount of ₱2,815.00.

Jacinto D. Salva is the claimant of various merchandise described in Seizure Identification Nos. 2441 and 2461, to wit:

Five (5) Bundles Fresh Waterchestnuts
Three (3) Bundles Arrowhead (Caladium)
One (1) Bundle Kudzy Vine (Yams)
One (1) Package Combs (Celluloid)
One (1) Package Cotton Goods of file fabric
One (1) Package Electric Fans,

which arrived in two shipments at the Port of Manila on January 17, 1955 via the "S.S. HELIOS" (Customs rec. pp. 3 & 16). The importations were not covered by release certificates issued by the Central Bank or any of its agent banks. Consequently, seizure proceedings were instituted, but during its pendency, the merchandise were released to the claimant under bonds (Customs rec. pp. 13-14 & 25-26).

After hearing, the Acting Collector of Customs for the port of Manila ordered their forfeiture for having been imported in violation of Central Bank Circulars Nos. 44 and 45. As it appears that the shipments were released under bonds both issued by the Philippines International Surety Co., Inc., the claimant was ordered to pay in cash the amount of ₱2,815.00 (Customs rec. pp. 51-52). Notices of said decision were served to the claimant and the Philippines International Surety Co., Inc. (Customs rec. pp. 53 & 54). The claimant appealed to the Acting Commissioner of Customs who affirmed the decision of the Acting Collector of Customs, confiscated the bonds and ordered the claimant together with the Philippines International Surety Co., Inc. to pay, jointly and severally, the total amount of ₱2,815.00 (Customs rec. pp. 61-63). Copies of said decision were furnished to the claimant and the Philippines International Surety Co., Inc. on February 15, 1960 (Customs rec. pp. 64 & 65). Hence the Philippines International Surety Co., Inc. instituted the present appeal on March 16, 1960.

The petitioner questions the validity of the seizure and forfeiture proceedings in this appeal on the following grounds:

1. That the same are contrary to the purpose and intent of Republic Act No. 1410; and

2. That said seizure and forfeiture proceedings are illegal because Central Bank Circulars Nos. 44 and 45 upon which said proceedings are based were issued without Presidential sanction and consequently they cannot be applied with legal force.

On the other hand, the respondent assails the personality of petitioner to appeal the decision of the Commissioner of Customs. It is argued that the petitioner being merely the surety of Jacinto D. Salva, has no personality to appeal said decision inasmuch as petitioner does not fall within the purview of Section 11 of Republic Act No. 1125 and has, therefore, no legal capacity to institute the petition for review in this case. This question has been passed upon by this Court unfavorably against petitioner in several cases, (Phil. Int'l. Surety Co., Inc. v. Commissioner of Customs, CTA Case No. 745, Resolution, Jan. 12, 1961; Phil. Int'l. Surety Co., Inc. v. Commissioner of Customs, CTA Case No. 736, Resolution, Dec. 3, 1962; see also Phil. Int'l. Surety Co., Inc. v. Commissioner of Customs, CTA Case No. 771, Jan. 4, 1963). We ruled therein, that the surety has no legal capacity to appeal to this Court. We see no sufficient and valid reason to depart from our ruling in the aforementioned cases.

Even assuming that petitioner can appeal the decision of the Commissioner of Customs, still we cannot agree to the contention of petitioner that Central Bank Circulars Nos. 44 and 45 are null and void.

In the case of Pascual v. Commissioner of Customs, G.R. No. L-10979, June 30, 1959, the power of the Monetary Board to issue the aforementioned circulars and the validity thereof have been upheld (see also Commissioner of Customs v. Pascual, G.R. No. L-9836, Nov. 18, 1959).

WHEREFORE, the petition for review filed in the above-entitled case is hereby dismissed with costs against petitioner.

SO ORDERED.

Manila, May 31, 1963.

ROMAN M. UMALI
Associate Judge

AUGUSTO M. LUCIANO
Associate Judge