REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

SPECIAL SECOND DIVISION

MILLIONSTAR GRAINS CORPORATION, represented by its President MS. JAENA BAUTISTA-MANUNTAG,
Petitioner,

- versus -

HON. DISTRICT COLLECTOR OF CUSTOMS, and Port of MICP, North Harbor, Port Area, Manila and HON. REY LEONARDO B. GUERRERO, Commissioner of Customs, South Harbor, Port Area, Manila,
Respondents.

CTA CASE NO. 10576

Members:

RINGPIS-LIBAN, *P.J., Chairperson,*
MODESTO-SAN PEDRO, *and*
FERRER-FLORES, *JJ.*

Promulgated:

4:25 pm

x - x

RESOLUTION

FERRER-FLORES, J.:

Submitted before this Court is petitioner's **Motion for Reconsideration** filed via accredited courier on December 16, 2025, and received by the Court on December 17, 2025, with respondent's **Comment/Opposition (Re: Motion for Reconsideration dated 15 December 2025)** filed on January 8, 2026.

On November 21, 2025, the Court promulgated a Decision dismissing petitioner's claim for refund of customs duties and taxes in the amount of ₱1,134,817.94, due to the Court's lack of jurisdiction to entertain review by appeal the *inactions* of respondent Commissioner of Customs (COC), the dispositive portion of which is quoted as follows:

> **WHEREFORE**, premises considered, the present **Amended Petition for Review of Protest and Appeal for Duty and Tax Refund** filed on November 4, 2021 is **DISMISSED** on jurisdictional grounds.

SO ORDERED.

In its *Motion*, petitioner asserts that the Court has jurisdiction over the present case. Petitioner maintains that a party affected by the decision or inaction of the COC may file an appeal with the Court of Tax Appeals (CTA) within 30 days upon receipt of such decision, or after a lapse of reasonable time once the issue has been submitted for resolution. Petitioner submits that this interpretation is consistent with justice and fairness because to hold otherwise would seem to incentivize public officials who fail to perform their duties and obligations within the prescribed period. Petitioner further cites the case of *Nestlé Philippines, Inc. (formerly Filipro, Inc.) vs. Court of Tax Appeals, et al.,*[1] wherein the Supreme Court held that once a written protest is seasonably filed with the Collector of Customs, the failure or inaction of the latter to promptly perform his mandated duty under the Tariff and Customs Code should not be allowed to prejudice the right of the party adversely affected thereby. Petitioner avers that to adopt a rule that forfeits a party's right to judicial review because the COC failed to perform a statutory duty is to deny due process and render the entire appellate system a nullity. As such, petitioner contends that the inaction of respondent COC should not prejudice its right to claim for refund.

On the other hand, in their *Comment*, respondents agree with the Court's finding that it has no jurisdiction over the present case. Respondents posit that when a court has no jurisdiction over the subject matter, the only power it has is to dismiss the action. It does not have the authority to dispose of the case on its merits. Respondents continue that any judgment, order, or resolution issued without jurisdiction over the subject matter is void and cannot be given any effect. Lastly, respondents reiterate that the Court's appellate jurisdiction is limited to the review of the decisions rendered by the COC, and since petitioner's appeal is anchored on the alleged inaction of the COC on its claim for duty and tax refund, the Court correctly ruled that it has no jurisdiction over the same.

After due consideration, the Court finds petitioner's *Motion for Reconsideration* bereft of merit.

To reiterate, under Sections 1106 and 1107 of Republic Act (R.A.) No. 10863, otherwise known as the *Customs Modernization and Tariff Act* (CMTA),[2] when a ruling or decision of the District Collector or customs

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[1] G.R. No. 134114, July 6, 2001.

[2] Sec. 1106. *Protest.* - When a ruling or decision of the District Collector or customs officer involving goods with **valuation**, rules of origin, and other customs issues is made, except the fixing of fines in seizure cases, the party adversely affected may **appeal by way of protest against such ruling or decision by presenting to the Commissioner at the time when payment of the amount claimed to be due the government is made, or within fifteen (15) days thereafter**, a written protest setting forth the objection to the ruling or decision in question and the reasons therefore.

officer involving, *inter alia*, goods with valuation issues, the party adversely affected may appeal by way of a written protest against such ruling or decision before respondent COC, when payment has been made, or within 15 days thereafter. Relative thereto, Section 1110 of the CMTA provides that when a protest is filed in proper form, the COC shall render a ruling within 30 days from receipt of the protest.[3]

In this case, petitioner made its payment of the assessed customs duty/tax on March 10, 2021[4] and filed its Protest and Appeal for Duty and Tax Refund on March 15, 2021,[5] before the COC. Consequently, respondent COC had 30 days therefrom, or until April 14, 2021, to render a ruling. Otherwise, the action of the District Collector of Customs (DCC) shall be deemed affirmed and conclusive.

In the assailed Decision, the Court held that there is no proof that respondent COC issued an adverse decision or final order that is appealable to this Court. Being a court of special jurisdiction, the CTA can take cognizance only of matters that are clearly within its jurisdiction.[6] To reiterate, Section 7(a)(4)[7] of R.A. No. 1125,[8] as amended by R.A. No. 9282,[9] categorically provides that the Court has exclusive appellate jurisdiction to review by appeal the **decisions** of respondent COC in cases involving, among others, liability for customs duties, fees or other money charges, unlike that of the Commissioner of Internal Revenue (CIR), wherein **both** decisions and inactions can be reviewed by the CTA on appeal.

Subject to the approval of the Secretary of Finance, the Commissioner shall provide such rules and regulations as to the requirement for payment or nonpayment of the disputed amount and in case of nonpayment, the release of the importation under protest upon posting of sufficient security.

Sec. 1107. *Protest Exclusive Remedy in Protestable Case.* - In all cases subject to protest, the interested party who desires to have the action of the District Collector reviewed, shall file a protest as provided in Section 1106 of this Act, **otherwise the action of the District Collector shall be final and conclusive**. *(Emphases and underscoring added)*

3 SEC. 1110. *Decision in Protest.* — **When a protest is filed in proper form, the Commissioner shall render a decision within thirty (30) days from receipt of the protest**. In case the protest is sustained, in whole or in part, the appropriate order shall be made, and the entry reassessed, if necessary. *(Emphasis added)*

4 Exhibit "P-4", BOC Records, p. 182.

5 Exhibit "P-1", BOC Records, pp. 177 to 179.

6 *Commissioner of Internal Revenue v. V.Y. Domingo Jewellers, Inc.*, G.R. No. 221780, March 25, 2019.

7 *SEC. 7. Jurisdiction.-* The CTA shall exercise:

(a) Exclusive appellate jurisdiction to review by appeal, as herein provided:

xxx

(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; xxx (Emphasis supplied)

8 AN CREATING THE COURT OF TAX APPEALS.

9 AN ACT EXPANDING THE JURISDICTION OF THE COURT OF TAX APPEALS (CTA), ELEVATING ITS RANK TO THE LEVEL OF A COLLEGIATE COURT WITH SPECIAL JURISDICTION AND ENLARGING ITS MEMBERSHIP, AMENDING FOR THE PURPOSE CERTAIN SECTIONS OF REPUBLIC ACT NO. 1125, AS AMENDED, OTHERWISE KNOWN AS THE LAW CREATING THE COURT OF TAX APPEALS, AND FOR OTHER PURPOSES.

Furthermore, Section 6 of Customs Administrative Order (CAO) No. 2-2020,[10] enumerates the procedure for dispute settlement arising from customs valuation. Sections 11 and 13 thereof provide that an importer aggrieved by the ruling of the COC may file a Motion for Reconsideration with the COC within 15 calendar days from receipt of the ruling. Should the importer remain dissatisfied, the decision may be appealed to this Court within 30 days from the receipt of the adverse decision or final order of the COC.

Going back to the present case, respondent COC had 30 days, or until April 14, 2021, within which to render a ruling. However, having failed to act on the protest within the 30-day period, the ruling of respondent DCC, if any, is deemed affirmed. Petitioner should have then filed a Motion for Reconsideration of the said ruling with respondent COC within 15 calendar days from April 14, 2021, or until April 29, 2021. However, since petitioner failed to file the said Motion for Reconsideration, there is nothing that would establish petitioner's recourse to this Court under Section 13 of CAO No. 02-2020.

Petitioner now cites the case of *Nestlé,*[11] to convince this Court to take jurisdiction of the present case. Unfortunately, however, the Court finds the said case not on all fours with the present case.

First, the subject matter in the *Nestlé* case involves claims for refund of overpaid advance sales taxes with the Bureau of Internal Revenue (BIR) and overpaid customs duties with the Bureau of Customs (BOC), covering 16 importations of milk and milk products from different countries. The fact of overpayment of customs duties has been duly established and resolved with finality by the CTA by ruling that the BOC erroneously used the wrong home consumption value in assessing the advance sales tax on the subject importations. Correspondingly, the claim for refund with the BIR was granted in a reduced amount, but the claim for refund with the BOC was left pending with the Collector of Customs of Manila. Thereafter, to prevent the claim from becoming stale on the ground of prescription, Nestlé lodged a petition with the CTA based, among others, on Article 1145 of the Civil Code under the principle of *solutio indebiti*.[12] In this case, petitioner contends that respondent DCC used the wrong method of valuation and should have used Method One, which is based on the transaction value of the goods being assessed. It further argues that respondent DCC has no legal basis to use Method Three.

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[10] SUBJECT: DISPUTE SETTLEMENT AND PROTEST

[11] Supra Note 1.

[12] ART. 1145 - The following actions must be commenced within six years:
(1) Upon an oral contract;
(2) Upon a quasi-contract.

Second, respondent COC, in his *Comment* dated August 21, 2000, admitted with regret, their official inaction. Respondent Commissioner expressed the view that Nestlé's claim for refund of customs duties should not outrightly be denied by virtue of the strict adherence to the rules to prevent grave injustice to hapless taxpayers. However, since there is no definite factual determination yet that the customs duties and taxes in question were overpaid and refundable, and if refundable how much is the refundable amount, respondent COC recommended that the case be remanded to the court of origin, namely, the CTA for proper determination. Herein, there is no admission of petitioner's entitlement to refund. Respondents maintain that petitioner failed to substantiate its position to warrant the application of Method One - Transaction Value Method in Section 701 of the CMTA, and hence, the customs examiner's resort to Method Three Transaction Value of Similar Goods under Section 703 of the CMTA is proper.

Third, it was undisputed that the Collector of Customs of Manila has not acted for nearly six years on the protests seasonably filed by Nestlé, which has caused the latter to immediately resort to the CTA on the mistaken belief that its claim is governed by the rule on quasi-contract or *solutio indebiti*, which prescribes in six years under the Civil Code. Here, petitioner's appeal was procedurally flawed since it failed to file a Motion for Reconsideration with respondent COC within 15 calendar days from April 14, 2021, or until April 29, 2021. Instead, petitioner subsequently filed the present *Petition for Review* before this Court on July 9, 2021 by reason of respondent COC's alleged "inaction".

Again, the Court reiterates that, although Section 1110 of RA No. 10863, mandates that respondent COC *"render a decision within thirty (30) days from receipt of the protest"*, the same does not automatically vest this Court with jurisdiction to entertain any inaction of respondent COC. This is simply because it was not conferred by any law, as extensively discussed in the assailed Decision.

Time and again the Court emphasizes that jurisdiction is a matter of substantive law. When a case is filed with a court which has no jurisdiction over the action, the court shall *motu proprio* dismiss the case.[13] The Court cannot decide the case on the merits.[14] Simply stated, when a Court has no jurisdiction over the subject matter, the only power it has is to dismiss the action, as any act it performs without jurisdiction is null and void, and without binding legal effect. Correspondingly, the Court need not belabor on the other issues advanced by petitioner.

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[13] *Alfredo J. Non, et al. v. Office of the Ombudsman, et al.*, G.R. No. 251177, September 8, 2020.

[14] *Nippon Express (Philippines) Corp. v. Commissioner of Internal Revenue,* G.R. No. 185666, February 4, 2015.

In view of the foregoing disquisitions, there being no new matter or substantial issue raised by petitioner in its *Motion for Reconsideration*, the Court finds no compelling reason to reverse or modify the Decision promulgated on November 21, 2025.

WHEREFORE, premises considered, petitioner's **Motion for Reconsideration** dated December 15, 2025 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