REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

RODILLO CASTRO and
LORETO PANGILINAN,
Petitioners,

- versus - C.T.A. CASE NO. 3742

COMMISSIONER OF CUSTOMS,
Respondent.
x ---------------------- x

6/27/86

D E C I S I O N

At bar is the question of jurisdiction raised by respondent Commissioner of Customs.

The question springs from these pertinent facts disclosed by the petition for review filed by petitioners.

Sometime in September, 1983, several trucks owned and operated by petitioners as duly authorized common carrier, were apprehended for being used, allegedly without their knowledge and consent, in smuggling activities within the jurisdiction of the Collector of Customs, Port of Batangas.

In view thereof, under a warrant of seizure and detention dated October 11, 1983, said vehicles were seized and taken into custody by the Collector of

Customs for alleged violation of Section 2530(a) and (k) of the Tariff and Customs Code, as amended.

On November 18, 1983, pending adjudication of the seizure case, petitioners filed a petition for the release of said vehicles under bond but said petition was denied by the Collector of Customs in his order of December 29, 1983.

On February 8, 1984, upon a petition for review of petitioners, the Commissioner of Customs affirmed the order of the Collector.

Consequently, on March 8, 1984, petitioners filed a petition for review with this Court praying that the order of the Commissioner of Customs dated February 8, 1984 be set aside and that the seized vehicles in question be released from customs custody upon the filing of a bond to be fixed by the Court.

In setting up the jurisdictional question, respondent advanced the following arguments (pp. 37 to 38, CTA rec.):

> "3. It is clear that what is before this Court is merely an incident to a main cause before the Collector of Customs of Batangas which is the seizure case (S.I. No. 2-4-83) entitled "R.P. vs. Fourteen (14) Units of 10-Wheeler Trucks, Rodillo Castro, et. al., Owners." Said seizure case is pending administrative adjudication and is not yet terminated in the Collector's level. Such being the case, the order of the Collector of Customs denying the petition for release is interlocutory in character and cannot yet, at this point of time,

be the subject of appeal even through a petition for review. The same has to be treated along with the ordinary appeal of the decision on the merits of the main case.

"4. Assuming that this Court has now the authority to entertain the instant petition, such authority is limited only to affirming or reversing the orders of the Collector of Customs and the Commissioner of Customs which denied the petition for release. But this Honorable Court, we submit, cannot directly order the release of the trucks and, as a condition to such release, require the respondent to submit their appraised value. It may only remand the case to the Collector of Customs who still retains primary jurisdiction over the main case (c.f. Commissioner of Customs v. Hon. Pedro Navarro, et. al., 77 SCRA 264 /1977/."

However, petitioners contend that under Section 7(2) of Republic Act No. 1125, this Court has jurisdiction to review by appeal decisions of the Commissioner of Customs in cases involving, among others, release of the property affected. And, precisely, their petition for review in this case was filed on the question of release of the subject vehicles under bond. (See Opposition, pp. 41-43, CTA rec.)

We sustain the view of respondent.

The petition for release of the seized property under bond in the seizure case before the Collector of Customs of Batangas is merely an incident to the principal controversy, which is the legality of the seizure. Such petition (or motion) is similar to a petition for injunction applicable in quasi-judicial and judicial proceedings, the resolution of which, one way or the other, is merely interlocutory since it does not finally dispose of the merits of the controversy. Such being the case, the order of the Commissioner of Customs simply sustaining the order of the Collector, which is interlocutory, is of the same nature and is not, therefore, appealable to this Court.

The decisions of the Commissioner of Customs under Section 7(2) of Republic Act No. 1125 which are appealable to this court are judgments or orders which are final in nature and not interlocutory orders or judgments which do not dispose of the case completely but leave still something to be done on the merits as required by law. The purpose is to avoid multiplicity of suits.

This interpretation was clearly enunciated by this Court in the case of Hatib Abdurasid, et. al. vs. Commissioner of Customs, CTA Case No. 28 (Res.), November 29, 1954, upon a similar incident. Thus:

> Section 7 of Republic Act No. 1125, confers upon this Court exclusive appellate jurisdiction to review by appeal "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 imposed in relation thereto; or other matters arising under the Customs Law or other law or part of law administered by the Bureau of Customs." We take it that what the aforesaid section of Republic Act No. 1125, means by decisions of the Commissioner of Customs

> which could be appealed to this Court, are judgments or orders rendered by the Commissioner of Customs which are final in nature and not interlocutory orders or judgments which do not dispose of the case completely but leave still something to be done upon the merits as required by law of the Commissioner of Customs or the Collector of Customs concerned. (See section 1375 - 1382 Revised Administrative Code). This view is in conformity with section 2, rule 41 of the Rules of Court. (See also Walter E. Olsen & Co. vs. Olsen 48 Phil. 238, 240). The underlying philosophy behind the rule is to avoid multiplicity of appeals in a single case. As explained by Justice Moran in his Comments on the Rules of Court, Vol. 1, p. 438, 1940 edition, "if each interlocutory order or judgment may be appealed from, and the appeal may stay the progress of the action, there will be numberless appeals in a single case, and the delay in the final disposition of the case will be such that, in many instances, the parties may not survive it". We believe and so hold that there is more reason to apply section 2, rule 41, of the Rules of Court, in all the cases over which this Court was conferred by Republic Act No. 1125 exclusive appellate jurisdiction to review on appeal, considering that the principal purpose for which this Court was created by Congress is to expedite the disposal of tax and customs' cases.[1]

As a matter of fact, in a resolution dated August 30, 1958 in CTA Case No. 542 involving the same parties, on a very analogous issue, this Court further

[1]See also Abdurasid, et al. v. Comm. of Customs, CTA Case No. 263, July 31, 1956; certiorari denied in G.R. No. L-11338 Oct. 11, 1956.

illucidated:

> Proceeding to petitioners' argument that, the jurisdiction of this Court has been enlarged by the provision of Section 2402 of the Tariff and Customs Code (Republic Act No. 1937), we find the same not well taken. We believe that Section 2402 of the said Code does not enlarge the jurisdiction of this Court so as to include the review of any ruling or order that is interlocutory in character. Section 2402 itself provides that any action or ruling may be appealed to this Court "in the manner and within the period prescribed by law and regulations." This contemplates necessarily Section 2 of Rule 41 of the Rules of Court, which provides that no interlocutory order or incidental judgment is subject to appeal. Hence, Section 2402 of the Tariff and Customs Code could not have considered as appealable a mere interlocutory order for the said section must be harmonized with the existing law and regulations affecting the jurisdiction of this Court.

IN VIEW OF THE FOREGOING, this case is hereby dismissed for lack of jurisdiction.

SO ORDERED.

Quezon City, Metro Manila, June 27, 1986.

ALEX Z. REYES
Associate Judge

WE CONCUR:

AMANTE FILLER
Presiding Judge

(On official leave.)
CONSTANTE C. ROAQUIN
Associate Judge