REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

FIRST DIVISION

CTA CASE NO. 11696

OHM WINNING 7 CORPORATION,
Petitioner,

- versus -

COMMISSIONER OF INTERNAL REVENUE,
Respondent.

NOTICE OF RESOLUTION

To:

BAGABALDO CAPISTRANO HUMARANG LAGASCA-SAWIT & SANTOS LAW OFFICES
Unit 703 Prestige Tower
Emerald Avenue, Ortigas Center
Pasig City

GREETINGS:

You are hereby notified by these presents that on **March 27, 2025,**a Resolution was rendered in the above-entitled case, copy of which is attached hereto.

Quezon City, Philippines, **April 3, 2025.**

Atty. Maria Johoanna E. Chan-Te
Executive Clerk of Court II

REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

FIRST DIVISION

OHM WINNING 7 CORPORATION, Petitioner,	CTA Case No. **11696**
	Members:
- versus -	**DEL ROSARIO**, P.J., *Chairperson*, **BACORRO-VILLENA**, *and* **CUI-DAVID**, JJ.
COMMISSIONER OF INTERNAL REVENUE, Respondent.	Promulgated: MAR 27 2025; 3:00PM

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RESOLUTION

For the Court's resolution is petitioner OHM Winning 7 Corporation's (**petitioner**'s) "Motion for Reconsideration"[1] (**MR**), filed on 24 January 2025.

Previously, petitioner filed the instant Petition for Review on 12 December 2024[2], assailing respondent Commissioner of Internal Revenue's (**CIR**'s) denial of its protest, which it received on 12 November 2024.[3] However, petitioner failed to submit an email/soft copy of the said Petition for Review within 24 hours., *i.e.,* 13 December 2024.

On 06 January 2025, this Court issued the assailed Resolution[4] dismissing the instant Petition for Review for petitioner's failure to submit an email/soft copy of the said Petition for Review within 24 hours from the filing of the hard/paper copy pursuant to Section 2, paragraph 2 of *En Banc* Resolution No. 8-2024, adopting A.M. No. 10-3-7-SC and A.M. 11-9-4-SC.[5]

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1 Division Docket, pp. 324-328.
2 Id., pp. 6-19.
3 Par. 15, Statement of the Facts and of the Case, Petition for Review, Division Docket, p. 9.
4 Division Docket p. 319.
5 GUIDELINES ON SUBMISSION OF ELECTRONIC COPIES OF PLEADINGS AND OTHER COURT SUBMISSIONS BEING FILED BEFORE THE LOWER COURTS PURSUANT TO THE

In the instant MR[6], petitioner seeks the reversal of the assailed Resolution and offers the following explanation: (**a**) petitioner's handling counsel honestly thought that the petition was filed electronically the following day when he received an email from the law firm's email address bearing the following subject "*OHM Winning 7 Corp. vs. Commissioner of Internal Revenue*"; (**b**) the lack of email submission was not due to a deliberate intent to defy the rules of procedure but by reason of mistake or inadvertence and does not constitute gross negligence; and, (**c**) petitioner submitted electronically the soft copy of the Petition for Review on 24 January 2025 prior to the filing of the instant MR.

Petitioner, therefore, prays for the Court's liberality to dispense with the procedural formalities to prevent a miscarriage of justice.

We rule below.

After due consideration of petitioner's arguments, We find the instant MR bereft of merit.

Section 11 of Republic Act (**R.A.**) No. 1125[7], as amended by R.A. No. 9282[8] and R.A. No. 9503[9], pertinently states:

> . . .
> **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.

EFFICIENT USE OF PAPER RULE; MOVING TOWARDS DIGITAL COURTS: COMPONENT ONE: TRANSITION TO ELECTRONIC FILING AND SERVICE OF PLEADINGS, MOTIONS AND OTHER DOCUMENTS AS WELL AS DIGITAL SERVICE OF ALL ORDERS IN CIVIL CASES

6 Supra at note 1.

7 AN ACT CREATING THE COURT OF TAX APPEALS.

8 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 OR REPUBLIC ACT NO. 1125, AS AMENDED, OTHERWISE KNOWN AS THE LAW CREATING THE COURT OF TAX APPEALS, AND FOR OTHER PURPOSES.

9 AN ACT ENLARGING THE ORGANIZATIONAL STRUCTURE OF THE COURT OF TAX APPEALS, AMENDING FOR THE PURPOSE CERTAIN SECTIONS OF THE LAW CREATING THE COURT OF TAX APPEALS, AND FOR OTHER PURPOSES.

> **Appeal shall be made by filing a petition for review under a procedure analogous to that provided for under <u>Rule 42</u> of the 1997 Rules of Civil Procedure** with the CTA **within thirty (30) days from the receipt of the decision or ruling**[.][10]
>
> . . .

Moreover, Section 3[11], Rule 42[12] of the Rules of Court (**ROC**), as amended, sanctions the dismissal of the Petition for Review should the petitioner fail to comply with the rules and requirements of filing the Petition for Review.

Relatedly, on 01 September 2024, this Court issued the *En Banc* Resolution No. 8-2024 (**CTA e-filing Guidelines**) to adopt A.M. No. 10-3-7-SC and A.M. 11-9-4-SC.[13]

On 06 September 2024, the Supreme Court clarified that after the transition period, *i.e.,* on 01 December 2024 (subject to the promulgation of the amended Rule 13 and the order of the Supreme Court for electronic transmittal to be the primary manner of filing in a judicial region or in the entire country), all inbound and/or outbound court documents must be electronically filed and/or served.[14]

On 26 November 2024, the Supreme Court *En Banc* amended Rule 13 of the ROC, as amended, to provide for mandatory electronic filing and service for civil cases. The pertinent provision reads:

> . . .
>
> SECTION 3. *Manner of Filing of Complaints and Other Initiatory Pleadings.* — The filing of complaints and other initiatory pleadings shall be done by:
>
> a. Submitting personally the original paper, plainly indicated as such, to the court;
> b. Sending the paper by registered mail; or,
> c. Sending the paper by accredited courier.

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10 Emphasis and underscoring supplied.

11 SEC. 3. *Effect of failure to comply with requirements.*

12 RULE 42

PETITION FOR REVIEW FROM THE REGIONAL TRIAL COURTS
TO THE COURT OF APPEALS

13 Supra at note 5.

14 Q37, Frequently Asked Questions (FAQs) on Electronic Filing (A.M. No. 10-3-7-SC and A.M. No. 11-9-4-SC), OCA Circular No. 272-2024, 06 September 2024.

> In the case of Section 3.a., the clerk of court shall endorse the date and hour of filing of the complaint or initiatory pleading. In the case of Section 3.b. or 3.c., the date of mailing of the complaint or initiatory pleading and payments or deposits, as shown by the post office stamp on the envelope or the registry receipt, shall be considered as the date of filing, payment, or deposit in court. The envelope shall be attached to the record of the case.
>
> After the complaint or initiatory pleading has been filed through any of the three modes provided in the first paragraph of this Section, the filing party shall subsequently email the complaint or initiatory pleading in digital file format to the court. Digital copies of the additional accompanying documents of the complaint or initiatory pleading, such as annexes, appendices, or exhibits, shall likewise be emailed. The electronic transmittal of the complaint or initiatory pleading and the accompanying documents must be made within 24 hours from the completeness of the primary mode of the complaint or initiatory pleading's filing.
>
> The term "digital file format," when used to refer to pleadings, papers, and other documents, shall mean the portable document format.
>
> No court shall act upon any complaint or initiatory pleading unless the latter's filing is accompanied by the electronic transmittal required in the third paragraph of this Section. **If the electronic transmittal is not completed before the period, the complaint or initiatory pleading shall be <u>deemed not filed</u>, <u>regardless of the completeness of the primary mode of its filing</u>.**[15]
>
> ...

Since the instant Petition for Review was filed on **<u>12 December 2024</u>**, after the transition period, faithful adherence by petitioner to the "mandatory electronic filing" is strictly enjoined. Otherwise, such paper document is deemed not filed, regardless of the completeness of the primary mode of filing.

Procedural rules should not be regarded as mere technicalities that may be ignored for the party's convenience as it is equally important in effective, orderly, and speedy administration of justice.[16] These rules are not intended to hamper litigants or complicate litigation but, indeed to provide for a system under which a suitor may be heard in the correct form and manner and at the prescribed time in a peaceful confrontation before a judge whose authority they acknowledge.[17]

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15 Emphasis and underscoring supplied.

16 *PPC Asia Corporation v. Department of Trade and Industry, Sec. Ramon M. Lopez, Usec. Rowel S. Barba and Louis "Barok" Biraogo*, G.R. No. 246439, 08 September 2020.

17 Id.

Notably, the rules of procedure are intended to ensure the orderly administration of justice and the protection of substantive rights in judicial and extrajudicial proceedings.[18] It is a mistake to propose that substantive law and adjective law are contradictory to each other or, as has often been suggested, that enforcement of procedural rules should never be permitted if it will result in prejudice to the substantive rights of the litigants. This is not exactly true; the concept is much misunderstood. As a matter of fact, the policy of the courts is to give both kinds of law, as complementing each other, in the just and speedy resolution of the dispute between the parties. Observance of both substantive rights is equally guaranteed by due process, whatever the source of such rights, be it the Constitution itself or only a statute or a rule of court.[19]

As a corollary, any party seeking a liberal application of the rules is required to present strong and compelling reasons to warrant the suspension of the rules.[20] To merit liberality, petitioner must show that there is reasonable cause justifying its noncompliance with the rules and that the outright dismissal of the petition would defeat the administration of substantive justice.[21]

As pronounced by the Supreme Court in *National Grid Corporation of the Philippines v. Clara C. Bautista, married to Rey R. Bautista*:[22]

> . . .
>
> Liberality in the application of the rules is not an end in itself. It must be pleaded with factual basis and must be allowed for equitable ends. There must be no indication that the violation of the rule is due to negligence or design. Liberality is an extreme exception, justifiable only when equity exists.
>
> . . .

Here, petitioner failed to show any reasonable cause justifying its noncompliance with the rules. Petitioner's explanation that its noncompliance was due to mere inadvertence cannot, in any degree, be considered as reasonable cause that would justify the suspension of the rules. Remarkably, its claim that its counsel mistakenly believed

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18 *Auria Limpot v. Court of Appeals, Prov. Sheriff, Southem Leyte, Conchita Tan De Lim, Marcelina Lim Go, Rudelia Lim Go, Dulcita Lim Hortiguela, and Edito Lim*, G.R. No. L-44642, 20 February 1989.

19 Id.

20 *Subic Bay Metropolitan Authority v. Subic Bay Marine Exploratorium, Inc.*, G.R. No. 237591, 10 November 2021.

21 *Philippine Charity Sweepstakes Office v. Commission on Audit*, G.R. No. 246313, 15 February 2022.

22 G.R. No. 232120, 30 September 2020; Citation omitted.

the petition had been timely e-filed merely because he received an email bearing the subject "*OHM Winning 7 Corp. vs. Commissioner of Internal Revenue*" is untenable. For one, such subject of the email is not compliant with the format sanctioned by the CTA e-filing Guidelines[23], thereby undermining any reliance thereon as proof of e-filing.

Moreover, the records of the case show that petitioner received the assailed Resolution on 09 January 2025.[24] Yet, it took petitioner fifteen (15) days to electronically submit the soft copy of the instant Petition for Review. This delay, absent any acceptable explanation, evinces petitioner's blatant disregard of procedural rules, further precluding any justification for their liberal application.

Furthermore, and more importantly, even if the procedural lapses of petitioner were to be set aside, the MR remains bereft of merit.

Settled is the rule that in cases where a taxpayer's protest is denied by the CIR's duly authorized representative, a taxpayer is given two (2) alternative remedies, to either: (1) appeal to the **CTA within 30 days from the date of receipt of the representative's decision**; or, (2) to elevate his protest through a request for reconsideration to the CIR, within the same 30-day period, otherwise referred to as an "administrative appeal".[25]

In addition, the Supreme Court clarified that for purposes of tolling the periods for filing after the transition period, the receipt of the electronic copies of inbound court document is controlling.[26]

As culled from the records of the case, petitioner received the letter denying its protest on 12 November 2024.[27] Accordingly, the appeal should have been brought within thirty (30) days or until

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23 ...

8. *Transmittal e-mail format.* –

a) *Subject*. The transmittal e-mail shall have as a subject the docket number/s, case title/s and the designation of the primary pleading or court submission being transmitted, which shall indicate its nature.

...

24 Notice of Resolution, Division Docket, p. 318.

25 Section 11, R.A. No. 1125, as amended; see *Philippine Amusement and Gaming Corporation v. Bureau of Internal Revenue, et al.*, G.R. No. 208731, 27 January 2016; *Commissioner of Internal Revenue v. V.Y. Domingo Jewellers, Inc.*, G.R. No. 221780, 25 March 2019.

26 Q38, supra at note 14.

27 Supra at note 3.

12 December 2024. While petitioner personally filed the Petition for Review on 12 December 2024, it electronically submitted the soft copy of the petition only on 24 January 2025. Thus, notwithstanding the completion of its primary manner of filing and given that it submitted the soft copy beyond the prescribed twenty-four (24) hour period, the instant Petition for Review is deemed filed on the date of submission of the electronic copy, *i.e.,* 24 January 2025. This falls forty-three (43) days beyond the reglementary period, rendering the Petition for Review patently filed out of time.

All told, this Court sees no cogent reason to warrant a reconsideration or modification of the assailed Resolution.[28]

WHEREFORE, in view of the foregoing, petitioner's "Motion for Reconsideration", filed on 24 January 2025, is hereby **DENIED** for lack of merit.

SO ORDERED.

with separate opinion

ROMAN G. DEL ROSARIO
Presiding Justice

JEAN MARIE A. BACORRO-VILLENA
Associate Justice

I join PJ's Separate Opinion.
LANEE S. CUI-DAVID
Associate Justice

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[28] Supra at note 4.

REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
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FIRST DIVISION

OHM WINNING 7 CORPORATION, Petitioner,	**CTA CASE NO. 11696**
	Members:
- versus -	**DEL ROSARIO**, *P.J., Chairperson,* **BACORRO-VILLENA**, and **CUI-DAVID**, *JJ.*
COMMISSIONER OF INTERNAL REVENUE, Respondent.	Promulgated:
	MAR 27 2025 ; 3:00 PM

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SEPARATE OPINION

DEL ROSARIO, P.J.:

I concur in the denial of petitioner's *Motion for Reconsideration* filed on January 24, 2025 for lack of merit.

I, however, wish to espouse my view that with respect to pleadings or court submissions which are required to be filed personally, by registered mail or by accredited courier, they are deemed to have been filed on the date and time of filing of the paper copy, and not the date and time of electronic transmission of the PDF copy.

Item 3(a) of *En Banc* Resolution No. 8-2024,[1] which took effect on September 1, 2024, is categorical in declaring that when the primary manner of filing is by **personal filing**, registered mail, or accredited courier, the pleading or court submission shall be deemed to have been **filed on the date and time of filing of the paper copy**.

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[1] Guidelines on Submission of Electronic Copies of Pleadings and Other Court Submissions Before the Court of Tax Appeals Pursuant to A.M. No. 10-3-7-SC and A.M. No. 11-9-4-SC.

Item 2 on Manner of Transmittal specifies the pleadings or court submissions which shall be filed personally, by registered mail or by accredited courier, *viz.*:

> "The filing of the following pleadings or court submissions in ten (10) paper copies for *En Banc* cases and six (6) paper copies or four (4) paper copies for Division cases **shall be by personal filing, by registered mail, or by accredited courier**:
>
> (i) **Initiatory pleadings** and initial responsive pleadings, such as an answer to a complaint or a comment to a petition;
>
> (ii) Annexes, appendices, exhibits, or other accompanying documents to pleadings or other court submissions not readily amenable to digitization to PDF;
>
> (iii) Motion for Reconsideration of a Decision or Motion for New Trial or a Motion for Extension to File Petition for Review before the CTA *En Banc;*
>
> (iv) Other litigious motions under Rule 15, Section 5 of the 2019 Amendments to the 1997 Rules of Civil Procedure, as amended, and meritorious motions under Rule III (2) (c) of the Revised Guidelines for Continuous Trial of Criminal Cases;
>
> (v) Formal Offer of Evidence to be accompanied by scanned copies in PDF and saved in a USB storage device;
>
> (vi) Independent Certified Public Account (ICPA) Report to be accompanied by scanned copies in PDF and saved in a USB storage device; and,
>
> (vii) sealed and confidential documents or records."

Relatedly, Item 2 of the same Resolution provides that when the primary manner of filing is through **personal filing**, by registered mail, or by accredited courier, the PDF copies of the pleading or court submission must be transmitted within twenty-four (24) hours from such filing of paper copies; **otherwise, the pleading or court submission shall be deemed as not filed**.

Here, the **Petition for Review** was filed through **personal filing** on December 12, 2024. The PDF copy of the Petition should have been filed on December 13, 2024. Petitioner, however, submitted the PDF copy of the Petition only on January 24, 2025.

Since petitioner failed to transmit the PDF copy of the Petition for Review within the period specified in *En Banc* Resolution No. 8-2024, the Petition for Review is deemed not filed.

If the Court follows the rule that the receipt of the electronic copies of inbound court documents shall dictate the date of the filing of the pleading or court submission, then even the present *Motion for Reconsideration* – filed through registered mail on the last day to file such Motion, *i.e.*, on January 24, 2025, with its electronic copy submitted via electronic mail only on January 28, 2025 – would be considered filed out of time.

ALL TOLD, I *VOTE* to **DENY** petitioner's *Motion for Reconsideration* for lack of merit.

ROMAN G. DEL ROSARIO
Presiding Justice