22-000493-0067

REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

FIRST DIVISION

CTA CASE NO. SCA-0002

HEIRS OF SPOUSES EDUARDO M. FRANCO and CELIA C. FRANCO namely, Maria Isabel C. Franco-Ignacio, Ferdinand C. Franco, Et al.,
Petitioner,

- versus -

NOTICE OF DECISION

REPUBLIC OF THE PHILIPPINES, THE COMMISSIONER OF INTERNAL REVENUE AND THE REGISTER OF DEEDS OF VALENZUELA CITY,
Respondent.

To:

OFFICE OF THE SOLICITOR GENERAL
134 Amorsolo St., Legazpi Village
Makati City

ATTY. FELIX PAUL R. VELASCO III
ATTY. NIKI BERYL B. DELA CRUZ
Bureau of Internal Revenue
Room 703, Litigation Division, BIR National Office Building
Sen. Miriam P. Defensor-Santiago Avenue
Diliman, Quezon City

ROMULO MABANTA BUENAVENTURA SAYOC & DE LOS ANGELES
21st Floor, AIA Tower
8767 Paseo de Roxas, Makati City

THE REGISTER OF DEEDS OF VALENZUELA CITY
3/F, Comelec Building
Poblacion, Malinta
Valenzuela City

GREETINGS:

You are hereby notified by these presents that on **December 16, 2025,** a Decision was rendered in the above-entitled case, copy of which is attached hereto.

Quezon City, Philippines, **December 18, 2025.**

Atty. Maria Johoanna F. Chan-Te
Executive Clerk of Court III

REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

FIRST DIVISION

HEIRS OF SPOUSES EDUARDO M. FRANCO and CELIA C. FRANCO namely, Maria Isabel C. Franco-Ignacio, Ferdinand C. Franco, Maria Cecilia C. Franco-Cruz, and the Heirs of Eduardo C. Franco, Jr. namely, Nancy A. Franco, Ivy Christine A. Franco, Franchesca Mae A. Franco-Lukban, Junile Emancel A. Franco, Marian Edylene A. Franco and Eduardo Angelo A. Franco,
Petitioners,

- versus -

REPUBLIC OF THE PHILIPPINES, THE COMMISSIONER OF INTERNAL REVENUE and THE REGISTER OF DEEDS OF VALENZUELA CITY,
Respondents.

CTA SCA Case No. **0002**
(Formerly CTA Case No. 11003)

Members:

BACORRO-VILLENA, *Acting Chairperson, and*
CUI-DAVID, *JJ.*

Promulgated:
DEC 1 6 2025; 4:00PM

x - x

DECISION

BACORRO-VILLENA, J.:

To proceed heedlessly with tax collection without first establishing a valid assessment is evidently violative of the cardinal principle in administrative investigations — that taxpayers should be able to present their case and adduce supporting evidence.[1]

The present case before Us encapsulates that very defect.

At bar is a "Petition for *Certiorari* (Under Rule 65 of the Revised Rules of Court with Urgent Motion for the Issuance of a Temporary Restraining Order and/or Writ of Preliminary Injunction and/or *Status Quo Ante* Order)"[2] (**Petition for *Certiorari* with Motion for TRO**) under Rule 65[3] of the Rules of Civil Procedure (**RCP**), as amended, filed by petitioner Heirs of Spouses Eduardo M. Franco and Celia C. Franco namely, Maria Isabel C. Franco-Ignacio, Ferdinand C. Franco, Maria Cecilia C. Franco-Cruz, and the Heirs of Eduardo C. Franco, Jr. namely, Nancy A. Franco, Ivy Christine A. Franco, Franchesca Mae A. Franco-Lukban, Junile Emancel A. Franco, Marian Edylene A. Franco and Eduardo Angelo A. Franco (collectively referred to as **petitioner-heirs**) on 14 October 2022, assailing respondent Commissioner of Internal Revenue's (**CIR**'s) denial[4] of petitioner-heirs' Letter of Protest.[5] Petitioner-heirs allege that respondent CIR committed grave abuse of discretion amounting to lack or excess of jurisdiction in ordering the forfeiture of their properties, as they never received any assessment notices nor any Letter of Authority (**LOA**) covering the subject deficiency assessments.

---

1 *Commissioner of Internal Revenue v. Metro Star Superama, Inc.*, G.R. No. 185371, 08 December 2010.

2 Division Docket, Volume I, pp. 11-50.

3 RULE 65 – *CERTIORARI*, PROHIBITION AND *MANDAMUS*.

4 Exhibit "P-30", Division Docket, Volume II, p. 690.

5 Exhibit "P-53", id., Volume I, pp. 180-185.

PARTIES OF THE CASE

Petitioner-heirs are the compulsory heirs of spouses Eduardo M. Franco and Celia C. Franco (**spouses Franco**), and Eduardo C. Franco, Jr. (**Franco Jr.**).[6]

On the other hand, respondents are the Republic of the Philippines and its agents.[7] Respondent CIR is empowered to perform the duties of said office, including, among others, the power to assess and collect all national internal revenue taxes, fees and charges, and to enforce all forfeitures, penalties, and fines connected therewith and holds office at the Bureau of Internal Revenue (**BIR**) National Building, Diliman, Quezon City. While, respondent Register of Deeds (**ROD**) of Valenzuela City acts as the repository of land titles and deeds for the City of Valenzuela with office address at 3rd floor, Comelec Building, CJ Santos Street, Brgy. Poblacion, Valenzuela City. Respondent Republic of the Philippines may be served with summons and other legal processes through the Office of the Solicitor General (**OSG**) with office address at 134 Amorsolo St. Legaspi Village, Makati City.

FACTS OF THE CASE

Spouses Franco were married on 28 January 1961.[8] During their lifetimes, spouses Franco acquired several parcels of real property including the following subject foreclosed properties, to wit:[9]

Transfer Certificate of Title (TCT)/Tax Declaration (TD) No.	Location	Area in square meters (sq.m.)
TCT No. V-97616/ TD No. C-014-08459[10]	Malanday, Valenzuela City	500.00
TCT No. V-97616/ TD No. C-014-08459[11]		1,000.00
TD No. C-014-08651[12]		132.00

6 II. Parties, Petition for *Certiorari*, supra at note 2, p. 17.
7 Id., p. 18
8 Exhibit "P-29", Division Docket, Volume I, p. 124.
9 See Exhibit "P-37", id., Volume II, p. 692.
10 Exhibits "P-17" and "P-18", id., pp. 663-669.
11 Id.
12 Exhibit "P-19", id., p. 670.

TD No. C-016-14140[13]	Malinta, Valenzuela City	8.00
TCT No. V-36007/ TD No. C-031-22589[14]	Marulas, Valenzuela City	242.00
TD No. C-031-22590[15]		346.75
TCT No. V-36008/ TD No. C-031-22591[16]		220.00
TD No. C-031-22592[17]		147.42
TD No. C-031-22593[18]		6.20
TD No. C-031-22594[19]		26.50

The subject properties were registered in the name of "EDUARDO M. FRANCO... married to CELIA C. FRANCO," and formed part of their conjugal partnership. Eduardo M. Franco (**E. Franco**) died on 21 February 2013[20] and was survived by his wife and children, namely, Maria Isabel C. Franco-Ignacio (**Franco-Ignacio**), Ferdinand C. Franco (**F. Franco**), Maria Cecilia C. Franco-Cruz (**Franco-Cruz**) and Franco Jr.[21] Celia C. Franco (**C. Franco**) passed away on 06 July 2013, survived by the same heirs.[22]

Thereafter, on 28 November 2013, respondent CIR issued a Follow-up Letter[23] relative to Letter Notice (**LN**) No. 25A-RLF-11-00-000101 addressed to the already deceased E. Franco, citing alleged Reconciliation of Listing for Enforcement (**RELIEF**) and Third-Party Matching (**TPM**)-Bureau of Customs (**BOC**) discrepancies. On 14 October 2014, respondent CIR issued Assessment Notice (**AN**) No. D33990[24] for alleged deficiency income tax and value-added tax (**VAT**) for calendar year (**CY**) 2009, signed by Regional Director (**RD**) Gerardo R. Florendo (**Florendo**), likewise addressed to the deceased E. Franco. The income tax assessment totaled ₱6,947,912.24, and the VAT assessment totaled ₱2,691,716.26, for an aggregate amount of ₱9,639,628.50.[25] On 02 February 2015, respondent issued AN

13 Exhibit "P-20", id., p. 671.
14 Exhibits "P-21" and "P-22", id., pp. 672-678.
15 Exhibit "P-23", id., p. 679.
16 Exhibits "P-24" and "P-25", id., pp. 680-686.
17 Exhibit "P-26", id., p. 687.
18 Exhibit "P-27", id., p. 688.
19 Exhibit "P-28", id., p. 689.
20 Exhibit "P-1", id., Volume I, pp. 78-79.
21 Exhibits "P-4" to "P-7", id., pp. 84-87.
22 Exhibit "P-2", id., pp. 80-81.
23 Exhibit "P-35", id., p. 130.
24 See Exhibit "P-37", id., Volume II, pp. 692-693; *cf.* Exhibits "P-31" and "P-32", id., pp. 126-127.
25 Id.

No. D34273[26] for alleged deficiency income tax and VAT for CY 2010, also addressed to the deceased E. Franco, amounting to ₱7,208,209.10.[27] Copies of the Follow-up Letter and the ANs for CYs 2009 and 2010 were allegedly left at the deceased E. Franco's business address and were never personally served on petitioner-heirs.[28]

Subsequently, on 08 April 2015, respondent issued a Warrant of Distraint and/or Levy[29] (**WDL**) against the subject properties to collect the alleged 2009 deficiency income tax and VAT totaling ₱9,639,628.50, and was allegedly constructively served at the deceased E. Franco's business address on 23 September 2015. On 09 November 2015, respondent CIR directed respondent ROD of Valenzuela City to record a Notice of Tax Lien[30] (**NTL**) over the subject properties for the alleged 2009 and 2010 assessments totaling ₱16,847,837.60, and on the same day issued a Notice of Levy on Real Property[31] (**NOL**) over said properties. These notices were likewise allegedly left at the deceased E. Franco's business address.[32] Upon discovering these documents at their father's business address, petitioners Franco-Ignacio and Franco-Cruz wrote respondent CIR on 19 April 2016, informing him or her of their parents' deaths and seeking guidance to forestall the scheduled auction, but to no avail.[33] The auction proceeded on 26 April 2016[34] without any winning bidder.[35]

On 15 June 2016, petitioner Franco Jr. passed away, survived by his spouse and children. BIR Deputy Commissioner (**Dep Comm**) Nelson Aspe (**Aspe**) allegedly advised petitioners Franco-Ignacio and Franco-Cruz to write to Assistant Commissioner (**ACIR**) Elvira R. Vera (**Vera**) of respondent's Collection Service.[36] Conformably, on 23 January 2017, petitioner-heirs wrote to ACIR Vera for guidance on recovering the levied properties. Although no formal reply was issued, respondent

---

26 See id.; *cf.* Exhibits "P-33" and "P-34", id., pp. 128-129.
27 Exhibits "P-33" and "P-34", id., pp. 128-129.
28 Par. 19, Judicial Affidavit (JA) of Maria Cecilia C. Franco-Cruz dated 13 October 2022, Exhibit "P-55", id., p. 61.
29 Exhibit "P-36", id., p. 131.
30 Exhibit "P-37", id., Volume II, pp. 692-693.
31 Exhibit "P-38", id., pp. 694-695.
32 Par. 23, JA of Maria Cecilia C. Franco-Cruz dated 13 October 2022, Exhibit "P-55", supra at note 28, p. 62.
33 Par. 28, id., p. 64; Exhibit "P-39", id., p. 136.
34 In the petition and subsequent pleadings, it was alleged that the auction proceeded on 28 April 2016.
35 Par. 32, JA of Maria Cecilia C. Franco-Cruz dated 13 October 2022, Exhibit "P-55", supra at note 28, p. 64.
36 Pars. 33 and 34, id., pp. 64-65.

CIR's Forfeited Assets Management Unit (**FAMU**) allegedly informed them that their case had been forwarded to Revenue Region (**RR**) No. 5 for possible compromise.[37] On 31 January 2017, petitioner-heirs wrote to RD Myrna S. Leonida (**Leonida**) of RR No. 5 seeking the lifting of the lien and levy and offering a compromise equal to 40% of basic tax for the 2009 and 2010 assessments.[38] On 08 February 2017, petitioner-heirs paid the compromise amounts, as evidenced by BIR Form Nos. 0605.[39]

On 27 June 2017, the one (1)-year period of redemption expired without petitioner-heirs exercising their right to redeem.[40] Consequently, titles to the subject properties were consolidated in favor of respondent Republic of the Philippines on 22 August 2017.[41] Petitioner-heirs allegedly did not receive any notice of such consolidation. On 09 May 2019, petitioner-heirs wrote respondent CIR's FAMU and the ACIR for Collection Service to follow up on the compromise and the lifting of the lien and levy, but allegedly neither FAMU nor ACIR responded.[42]

On 26 July 2019, petitioner-heirs sent a follow-up letter to respondent CIR seeking approval of their compromise settlement, the lifting of the levy on the subject properties and their delisting from auction.[43] Respondent CIR did not reply.

On 03 November 2021, petitioner-heirs asked respondent CIR to hold or delist the auction of the subject properties.[44] On 05 November 2021, ACIR Clavelina S. Nacar (**Nacar**), officer-in-charge (**OIC**) of the Collection Service, denied the request, stating that redemption of forfeited property under Section 215[45] of the National Internal Revenue Code (**NIRC**) of 1997, as amended, requires full payment of deficiency taxes, penalties, interest and costs of sale, rather than compromise, and that the redemption period had lapsed.[46] Petitioner-heirs sought reconsideration on 17 November 2021, but received no reply.[47]

---

37 Pars. 35-37, id., p. 64; Exhibit "P-40", id., p. 137.
38 Exhibit "P-41", id., p. 138.
39 Exhibits "P-42a, "P-42c", "P-42e" and "P-42g", id., pp. 140, 142, 144 and 146, respectively.
40 Id., pp. 500-502.
41 Exhibits "R-1" to "R-3", id., Volume III, pp. 1458-1465.
42 Exhibits "P-43" and "P-44", id., Volume I, pp. 147-148.
43 See III. Statement of Facts and Material Proceedings, Respondent CIR's Memorandum, id., Volume III, p. 1475; *cf.* Exhibit "P-45", id., pp. 149-150.
44 Exhibit "P-50", id., Volume I, pp. 170-171.
45 **SEC. 215**. *Forfeiture to Government for Want of Bidder.*
46 Exhibit "P-51", id., p. 172.
47 Exhibit "P-52", id., pp. 173-179.

On 14 December 2021, petitioner-heirs filed a Letter of Protest[48] assailing the forfeiture, arguing that the ANs for CYs 2009 and 2010 issued to a deceased taxpayer without an LOA were void, rendering the lien, levy and forfeiture proceedings likewise void. Petitioner-heirs followed up on 25 March 2022.[49] On 13 July 2022, ACIR Nacar denied the Letter of Protest (**Denial Letter**), invoking again Section 215[50] of the NIRC of 1997, as amended, and asserting that failure to redeem within the statutory period made the forfeiture absolute absent a court order for reconveyance.[51] Petitioner-heirs received the Denial Letter on 18 August 2022.[52]

Nonplussed and finding no remaining administrative recourse left, petitioner-heirs elevated the matter by filing the instant Petition for *Certiorari* before the Court of Tax Appeals (**CTA**) on 14 October 2022.[53]

PROCEEDINGS BEFORE THE COURT

Petitioner-heirs, through the instant petition[54], are seeking to nullify and set aside the forfeiture of the following properties:[55]

Transfer Certificate of Title (TCT)/Tax Declaration (TD) No.	Location	Area in square meters (sq.m.)
TCT No. V-97616/ TD No. C-014-08459	Malanday, Valenzuela City	500.00
TCT No. V-97616/ TD No. C-014-08459		1,000.00
TD No. C-014-08651		132.00
TD No. C-016-14140	Malinta, Valenzuela City	8.00
TCT No. V-36007/ TD No. C-031-22589	Marulas, Valenzuela City	242.00
TD No. C-031-22590		346.75
TCT No. V-36008/ TD No. C-031-22591		220.00
TD No. C-031-22592		147.42

48 Supra at note 5.
49 Exhibit "P-54", Division Docket, Volume I, p. 186.
50 Supra at note 45.
51 Supra at note 4.
52 Supra at note 2.
53 Id.
54 Id.
55 Supra at pp. 3-4.

TD No. C-031-22593		6.20
TD No. C-031-22594		26.50

In support of their petition, petitioner-heirs contended that respondent CIR acted with grave abuse of discretion amounting to lack or excess of jurisdiction in forfeiting the subject properties belonging to petitioner-heirs without due notice. Petitioner-heirs maintained that none of them, who are successors-in-interest of the deceased spouses Franco and now lawful owners of the subject properties, were served with any notices relating to the assessment and collection proceedings. Petitioner-heirs further averred that when they learned of the impending auction of the properties on 28 April 2016, they immediately informed respondent CIR of the death of spouses Franco. However, the auction still proceeded as scheduled.

Additionally, petitioner-heirs argued that respondent CIR also acted with grave abuse of discretion in forfeiting the conjugal share of the deceased C. Franco to satisfy the alleged deficiency taxes of the deceased E. Franco even if no deficiency tax assessments were previously issued to C. Franco. Moreover, it was also alleged that there was grave abuse of discretion in forfeiting the subject properties to enforce collection of tax assessments with no valid LOA. Lastly, respondent CIR also acted with grave abuse in withholding approval of petitioner-heirs' application for compromise.

Initially, the case was raffled to the Court's Second Division. On 13 December 2022, respondents were ordered to file a comment on the petition within ten (10) days from the date of receipt thereof.[56]

On 16 January 2023, petitioner-heirs then filed a "Request for *Subpoena Duces Tecum* and *Ad Testificandum*"[57] (**Request for *Subpoena***) to produce the BIR Records showing the collection enforcement actions undertaken by respondent CIR. On 03 February 2023, respondent CIR sought additional time to comment *via* a "Motion for Extension of Time to File Comment"[58] which the Court granted in a

56 Division Docket, Volume I, pp. 206-207.
57 Id., pp. 208-210.
58 Id., pp. 410-412.

Resolution dated 14 February 2023[59], giving him or her until 15 February 2023 to file comment.

On 15 February 2023, respondent CIR filed his or her "Comment/Opposition [Re: Petition for *Certiorari* with Motion for TRO]"[60] (**Comment**).

In his or her Comment, respondent CIR interposed the following defenses: (1) the Court lacks jurisdiction over the subject matter since the instant petition is in the nature of an action for reconveyance, citing *Mactel Corporation v. The City Government of Makati, et. al.*[61] (**Mactel**); (2) there was no disputed assessment in the instant case as petitioner-heirs failed to assail the assessments pursuant to Section 288 of the NIRC of 1997, as amended; and (3) the present case is not covered by the "other matters" jurisdiction of this Court under Section 7(a)(1) of Republic Act (**RA**) No. 1125, as amended, since only quasi-judicial decisions may be appealed under the same.

On 10 March 2023, the Court issued a Resolution denying petitioner-heirs' Request for *Subpoena* for the latter's failure to present good cause and exert enough effort to ask for certified true copies of the subject documentary evidence from respondent CIR and setting the hearing on the Motion for TRO on 23 March 2023.[62]

At the 23 March 2023 hearing, petitioner-heirs presented Franco-Cruz who testified *via* her judicial affidavit dated 13 October 2022.[63]

On the witness stand, Franco-Cruz, one of petitioner-heirs, declared that: (1) they filed this case because respondent CIR required a court order to invalidate the forfeiture of the real properties registered in the names of their late parents before these could be returned to petitioner-heirs; (2) petitioner-heirs are herself, her siblings and the heirs of her late brother (Franco Jr.); (3) the forfeiture stemmed from ANs for CYs 2009 and 2010 issued after her father (E. Franco) had already died and which none of the heirs received, later discovered only when a

---

59 Id., p. 415.
60 Id., pp. 416-449.
61 G.R. No. 244602, 14 July 2021.
62 See Resolution dated 10 March 2023, Division Docket, Volume I, pp. 453-456.
63 See Order dated 23 March 2023, id., pp. 469-470.

scheduled auction was reported in April 2016; (4) they also found at the old office the WDL, NTL and NOL; (5) heeding advice, they applied for compromise, paid 40% of the basic tax and wrote several letters, yet the NEB did not act and the titles were consolidated in favor of respondent Republic of the Philippines without notice; (6) despite further follow-ups, respondent CIR later told them that full payment within one (1) year was required, contrary to earlier instructions, leaving her feeling misled; and (7) they sought an injunctive relief because they have a clear right as heirs, the assessments lacked an LOA and valid notice, and the properties include their family home.[64]

In her cross-examination, Franco-Cruz affirmed that: (1) they notified respondent CIR of spouses Franco's deaths only on 19 April 2016 through a letter; (2) when the ANs, WDL, NTL and NOL were issued, respondent CIR had not been informed of the deaths of spouses Franco; (3) she did not know the possible consequences if the subject properties were auctioned; (4) despite knowing the subject properties were scheduled for auction, she did not exercise the right of redemption; (5) she engaged the services of a law firm only in 2019; and (6) no court action was filed against the November 2021 letter.[65]

With no further questions or redirect, the cross-examination was concluded.[66]

Petitioner-heirs then filed a "Motion for Reconsideration (of the Resolution dated 10 March 2023)"[67] (**MR on *Subpoena***) on 20 March 2023, to which respondent filed a "Comment or Opposition (*Ad Cautelam*) Re: Petitioner's [MR on *Subpoena*]"[68] on 28 March 2023. In a Resolution dated 19 April 2023[69], the Court partially granted petitioner-heirs' MR on *Subpoena*, ordered the issuance of a *subpoena duces tecum* and *ad testificandum* (***subpoena***) to Glenn B. Alde (**Alde**), Chief of respondent CIR's Accounts Receivable Monitoring Division (**ARMD**) and set his testimony for 26 April 2023. The *subpoena* was issued on 20 April 2023.[70]

---

64 Exhibit "P-55, JA of Maria Cecilia C. Franco-Cruz dated 13 October 2022, id., pp. 56-77.
65 TSN dated 23 March 2023, pp. 12-23.
66 Id., p. 23.
67 Division Docket, Volume I, pp. 457-463.
68 Id., pp. 471-475.
69 Id., pp. 514-515.
70 Id., p. 516.

Before the 26 April 2023 hearing, respondent CIR on 24 April 2023 filed an "Urgent Omnibus Motion (*Ad Cautelam*) [1. To Quash the *Subpoena Duces Tecum/Ad Testificandum*; 2. For Early Resolution of the Issue of Jurisdiction]"[71] (**Omnibus Motion**), praying for quashal of the *subpoena* and early resolution of the jurisdictional issue.

Petitioner-heirs submitted their "Comment/Opposition (to [Omnibus Motion]"[72] on 02 May 2023 *via* registered mail.

Pursuant to the Resolution issued on 29 May 2023 and Administrative Circular No. 01-2023 (Reorganizing the Divisions of the Court) dated 23 May 2023, the present case was transferred to the Court's First Division.[73]

In a Resolution dated 25 January 2024[74], the Court partially granted respondent CIR's Omnibus Motion, quashed and set aside the *subpoena*, denied the prayer for early resolution of the jurisdictional issue and directed petitioner-heirs to file their Formal Offer of Evidence (**FOE**) within ten (10) days from notice thereof.

Petitioner-heirs filed their FOE[75] on 12 February 2024, while respondent CIR filed a "Motion for Partial Reconsideration (of the Resolution dated January 25, 2024)"[76] (**MPR on Omnibus Motion**) on 14 February 2024 and a "Comment/Opposition (*Ad Cautelam*) (to Petitioner's [FOE])"[77] on 20 February 2024. Petitioner-heirs filed their "Comment/Opposition (to Respondent CIR's [MPR on Omnibus Motion]"[78] on 15 March 2024.

Respondent CIR then moved to suspend proceedings in a "Motion to Suspend Proceedings" dated 29 February 2024[79], filed on 04 March 2024. The Court, in a Resolution dated 05 March 2024[80], granted the

71 Id., pp. 518-553.
72 Id., pp. 593-619.
73 Id., Volume II, p. 624.
74 Id., pp. 626-635.
75 Id., pp. 637-662.
76 Id., pp. 704-745.
77 Id., pp. 747-750.
78 Id., pp. 763-772.
79 Id., pp. 755-759.
80 Id., p. 761.

"Motion to Suspend Proceedings" and cancelled the 06 March 2024 hearing until further orders.

On 22 March 2024, petitioner-heirs filed an "Urgent Motion to Cancel Notices to Vacate"[81], to which respondent CIR filed his or her "Comment/Opposition (*Ad Cautelam*) Re: Urgent Motion to Cancel Notices to Vacate"[82] on 08 April 2024, which was partially granted by this Court in its Resolution dated 28 May 2024.[83]

The Court, in a Resolution dated 02 May 2024[84], denied respondent CIR's MPR on Omnibus Motion, thereby ruling that the Court has jurisdiction over the present case. In the same Resolution, together with Resolution dated 06 September 2024[85], the Court admitted petitioner-heirs' exhibits, except for: Exhibits "P-31", "P-32", "P-33", "P-34", "P-45", "P-46" and "P-53"[86] for failure to present the original documents for comparison and Exhibit "P-49-b-1"[87] for failure to identify the same.

On 25 June 2024, respondent CIR filed a "Motion to Suspend Proceedings"[88] (**Motion to Suspend**) in view of his or her filing of

81 Id., pp. 775-781.
82 Id., pp. 798-816.
83 Id., pp. 855-857.
84 Id., pp. 822-827.
85 Id., Volume III, pp. 1446-1451.
86

Exhibit No.	Description
"P-31"	2009 Assessment Notice No. 3390 dated 14 October 2014 – Income Tax addressed to Eduardo M. Franco
"P-32"	2009 Assessment Notice No. 3390 dated 14 October 2014 – VAT addressed to Eduardo M. Franco
"P-33"	2010 Assessment Notice No. 34273 dated 2 February 2015 for Income Tax addressed to Eduardo M. Franco
"P-34"	2010 Assessment Notice No. 34273 dated 2 February 2015 for VAT addressed to Eduardo M. Franco
"P-45"	Dacanay Law Office Letter dated 26 July 2019 addressed to the Commissioner of Internal Revenue
"P-46"	Certification of payment from the Land Bank of the Philippines – Sta. Maria Bulacan Branch
"P-53"	Dacanay Law Office Letter of Protest dated 14 December 2021 to then Commissioner Caesar R. Dulay

87

Exhibit No.	Description
"P-49-b-1"	Schedule 1 of Estate Tax Amnesty Return

88 Division Docket, Volume II, pp. 867-872.

"Petition for *Certiorari* and Prohibition under Rule 65 (with Urgent Prayer for Issuance of Temporary Restraining Order and/or Writ of Preliminary Injunction)" with the Supreme Court (**SC**) against this Court's Resolutions dated 25 January 2024[89] and 02 May 2024.[90]

On 06 September 2024, the Court promulgated a Resolution denying respondent CIR's Motion to Suspend since a mere pendency of a *certiorari* before the SC does not prevent this Court from proceeding to trial, absent the issuance of a TRO or a writ of preliminary injunction (**WPI**) and setting respondent CIR's presentation of evidence in opposition to the Urgent Motion for TRO on 01 October 2024.[91] In line with this, respondent CIR filed a Request for Admission (**RFA**)[92] on 26 September 2024, which was noted and granted during the 01 October 2024 hearing.[93] Consequently, Exhibits "R-1", "R-2" and "R-3" were offered and admitted.[94] Also, at said hearing, respondent CIR manifested that the supposed witness, Revenue Officer (**RO**) Joseph C. Gregorio (**Gregorio**), would no longer be presented in view of the RFA.[95] Accordingly, the judicial affidavit (**JA**) of RO Gregorio was expunged from the records. The Court then granted both parties thirty (30) days or until 31 October 2024 within which to file their respective memoranda.[96] Respondent CIR filed his or her Memorandum[97] on 28 October 2024 and petitioner-heirs filed their Memorandum[98] on 30 October 2024. On the other hand, respondent ROD of Valenzuela City had failed to file a memorandum.[99] Consequently, in a Resolution dated 17 December 2024, the Court submitted the present case for decision.[100]

ISSUES

Stripped of verbiage, the core issues before the Court may be summed up as follows –[101]

---

89 Supra at note 74.
90 Supra at note 84.
91 Supra at note 85.
92 Division Docket, Volume III, pp. 1452-1455.
93 See Order dated 01 October 2024, id., pp. 1468-1470.
94 Id.
95 Id.
96 Id.
97 Id., pp. 1472-1532.
98 Id., pp. 1536-1578.
99 See Records Verification dated 04 December 2024, id., p. 1584.
100 Id., pp. 1585-1586.
101 See IV. Grounds for the Petition, Petition for *Certiorari*, supra at note 2, p. 26.

I.
WHETHER THE COURT OF TAX APPEALS HAS JURISDICTION OVER THE INSTANT PETITION FOR *CERTIORARI*; AND

II.
WHETHER RESPONDENT COMMISSIONER OF INTERNAL REVENUE ACTED WITH GRAVE ABUSE OF DISCRETION AMOUNTING TO LACK OR EXCESS OF JURISDICTION IN FORFEITING THE SUBJECT PROPERTIES.

ARGUMENTS

Petitioner-heirs maintain essentially that respondent CIR acted with grave abuse of discretion amounting to lack or excess of jurisdiction, arguing that: (1) by operation of Article 777[102] of the Civil Code, ownership of the subject real properties passed to petitioner-heirs upon the deaths of spouses Franco, yet assessments, warrants, liens, levies and forfeiture were all pursued in the name of an already deceased taxpayer (E. Franco) without any valid service on petitioner-heirs, contrary to due process requirements and jurisprudence that an assessment must be actually received by the taxpayer or lawful representative and that a denial of receipt shifts to respondent CIR the burden of proving actual mailing and receipt; (2) the forfeiture of the entirety of the conjugal properties, including C. Franco's undoubted share despite the absence of any assessment against her and without proof that her conjugal interest could lawfully answer for E. Franco's alleged personal tax liabilities, disregarded Article 121(3)[103] of the Family Code, *i.e.*, a proof of family benefit must first be adduced in order to levy conjugal properties to satisfy the deceased E. Franco's personal tax liabilities; (3) the deficiency assessments themselves are void for want of an LOA and for being based solely on an LN and unverified third-party RELIEF data; and (4) respondent CIR's refusal to act favorably on their compromise application, despite their payment of 40% of the basic deficiency tax and despite corroborated bank and BIR certifications of such payment, while silently allowing consolidation of title in favor of

---

102 **ART. 777**. The rights to the succession are transmitted from the moment of the death of the decedent.

103 **ART. 121**. The conjugal partnership shall be liable for:

...

(3) Debts and obligations contracted by either spouse without the consent of the other to the extent that the family may have benefited[.]

respondent Republic of the Philippines, constituted a whimsical evasion of a positive duty and an arbitrary exercise of the power to tax.

On the propriety of *certiorari* and injunctive relief, petitioner-heirs further submit that: (1) the NIRC of 1997 provides no specific appeal mechanism for an illegal forfeiture carried out under void assessments, without notice to the true owners, and with conjugal and hereditary rights swept aside, so that a Rule 65 petition before this Court is their only plain, speedy and adequate remedy; and (2) their principal prayer to nullify and set aside the forfeiture necessarily carries with it the reconveyance of the properties as an incident of the Court's power to grant full and complete relief.

Respondent CIR counters that: (1) this Court has no jurisdiction over the instant Petition for *Certiorari* because, despite its caption, the petition is in substance an action for reconveyance seeking cancellation of titles already consolidated in favor of respondent Republic of the Philippines and reconveyance of the subject properties to petitioner-heirs, a matter that falls within the exclusive original jurisdiction of the regular courts; (2) the CTA's *certiorari* power is strictly ancillary to, and in aid of, its special appellate jurisdiction under Section 7[104] of RA 1125[105], as amended by RA 9282[106], so that it may only review quasi-judicial decisions of respondent CIR in cases involving disputed assessments, refunds, penalties and cognate "other matters," which by the rule of *ejusdem generis* must be of the same kind as disputed assessments and refund cases; (3) "other matters" arising under the NIRC of 1997, as amended, cannot be stretched to cover actions for reconveyance or challenges to purely executive or ministerial acts such as levy, auction and consolidation of title, which do not involve quasi-judicial determinations; and (4) to allow the CTA to entertain this reconveyance suit or to treat it as falling under "other matters" would unduly and illegally expand the Court's jurisdiction in contravention of the doctrines of *expressio unius est exclusio alterius* and the legislative intent behind RA 1125 that the CTA be a court of limited jurisdiction.

---

104 **SEC. 7**. *Jurisdiction.*

105 AN ACT CREATING THE COURT OF TAX APPEALS.

106 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.

Assuming *arguendo* that the CTA has jurisdiction, respondent CIR further contends that: (1) the petition was filed beyond the sixty (60)-day period under Rule 65[107] of the RCP, as amended, since petitioner-heirs had actual knowledge of the auction as early as April 2016, of the second auction by May 2019 and of the denial of their request to hold or delist the auction by the letter dated 05 November 2021, yet only came to the CTA on 14 October 2022, thereby rendering their resort to *certiorari* fatally belated and barred by laches; (2) petitioner-heirs can no longer assail the validity of the deficiency assessments because they never filed a timely protest under Section 228[108] of the NIRC of 1997, as amended and Revenue Regulations (**RR**) No. 18-2013[109], allowing the assessments to become final, executory and demandable, so that no "disputed assessment" and no reviewable quasi-judicial decision exist for the CTA to examine; and (3) *certiorari* is unavailable where plain, speedy and adequate remedies existed, namely administrative protest and judicial appeal, which petitioner-heirs chose not to pursue, instead opting for compromise and later attacking the forfeiture.

RULING OF THE COURT

Addressing respondent CIR's insistent jurisdictional challenge, the Court sustains its authority, reiterates and adopts its Resolutions dated 25 January 2024[110] and 02 May 2024[111], which We further elaborate on below.

THE COURT OF TAX APPEALS (CTA) HAS SUBJECT-MATTER JURISDICTION OVER THE INSTANT PETITION FOR *CERTIORARI*.

Respondent CIR argues that the Court, as a court of special jurisdiction, does not have the authority to pass upon an action for reconveyance, which seeks cancellation of titles already consolidated in favor of respondent Republic of the Philippines as such is not a

107 Supra at note 3.
108 **SEC. 228**. *Protesting of Assessment.*
109 Amending Certain Sections of Revenue Regulations No. 12-99 Relative to the Due Process Requirement in the Issuance of a Deficiency Tax Assessment.
110 Supra at note 74.
111 Supra at note 84.

"disputed decision" as contemplated under RA 1125[112], as amended by RA 9282.[113]

We disagree with such a narrow construction.

Section 7(a)(1) of RA 1125, as amended by RA 9282, provides:

> ...
> **SEC. 7.** *Jurisdiction.* — The CTA shall exercise:
>
> (a) Exclusive appellate jurisdiction to review by appeal, as herein provided:
>
> (1) Decisions of the Commissioner of Internal Revenue in cases involving disputed assessments, refunds of internal revenue taxes, fees or other charges, penalties in relation thereto, or **<u>other matters arising under the National Internal Revenue [Code]</u> or other laws administered by the Bureau of Internal Revenue**[.][114]
>
> ...

Likewise, Section 3(a)(1), Rule 4 of the Revised Rules of the Court of Tax Appeals (**RRCTA**) provides:

> ...
> SEC. 3. *Cases within the jurisdiction of the Court in Division.* — The Court in Division shall exercise:
>
> (a) Exclusive original over or appellate jurisdiction to review by appeal the following:
>
> (1) Decisions of the Commissioner of Internal Revenue in cases involving disputed assessments, refunds of internal revenue taxes, fees or other charges, penalties in relation thereto, or **<u>other matters arising under the National Internal Revenue Code</u> or other laws administered by the Bureau of Internal Revenue**[.][115]
>
> ...

---

112 Supra at note 105.
113 Supra at note 106.
114 Italics in the original text, emphasis and underscoring supplied.
115 Italics in the original text, emphasis and underscoring supplied.

In the case of *Golden Donuts, Inc. v. Commissioner of Internal Revenue*[116] (**Golden Donuts**), the Supreme Court, citing *The City of Manila, et al. v. Hon. Caridad H. Grecia-Cuerdo, et al.*[117] (**Grecia-Cuerdo**), ruled that the CTA, having exclusive jurisdiction to resolve all tax problems, may take cognizance of a petition for *certiorari* to determine whether there is grave abuse of discretion amounting to lack or excess of jurisdiction committed by the BIR in issuing an LOA against therein taxpayer as well as the *subpoena duces tecum*, to wit:

> ...
>
> In the case of *City of Manila v. Grecia-Cuerdo (City of Manila)*, this Court for the first time recognized the CTA's jurisdiction over petitions for *certiorari* under Rule 65 of the Rules of Court over interlocutory orders issued by the Regional Trial [C]ourt in a local tax case. Thus:
>
> ...
>
>> ... [W]hile there is no express grant of such power, with respect to the CTA, Section 1, Article VIII of the 1987 Constitution provides, nonetheless, that **judicial power shall be vested in one Supreme Court and in such lower courts as may be established by law** and that **judicial power includes the duty of the courts of justice** to settle actual controversies involving rights which are legally demandable and enforceable, and **<u>to determine whether or not there has been a grave abuse of discretion amounting to lack or excess of jurisdiction on the part of any branch or instrumentality of the Government</u>**.
>>
>> ...
>>
>> **Indeed, <u>in order for any appellate court to effectively exercise its appellate jurisdiction, it must have the authority to issue, among others, a writ of *certiorari*.</u> In transferring exclusive jurisdiction over appealed tax cases to the CTA, it can reasonably be assumed that the law intended to transfer also such power as is deemed necessary, if not indispensable, in aid of such appellate jurisdiction.** There is no perceivable reason why the transfer should only be considered as partial, not total.
>>
>> ...
>>
>> Furthermore, **Section 6, Rule 135** of the present Rules of Court **provides that <u>when by law, jurisdiction is conferred on a court or judicial officer, all auxiliary</u>**

[116] G.R. No. 252816, 03 February 2021 (Notice); Citations omitted, italics in the original text, and emphasis and underscoring supplied.

[117] G.R. No. 175723, 04 February 2014.

writs, processes and other means necessary to carry it into effect may be employed by such court or officer.

...

Under Section 7 of R.A. 9282 which expanded the jurisdiction of the CTA, the latter is given exclusive appellate jurisdiction over "Decisions of the Commissioner of Internal Revenue in cases involving disputed assessments, refunds of internal revenue taxes, fees or other charges, penalties in relation thereto, or other matters arising under the National Internal Revenue or other laws administered by the Bureau of Internal Revenue." **Following the ruling of the Court in *City of Manila,* the CTA may take cognizance of a petition for *certiorari* to determine whether there is grave abuse of discretion amounting to lack or excess of jurisdiction committed by the BIR in issuing the 2017 LOA against GDI as well as the subpoena *duces tecum* considering that a previous investigation of the same taxable year 2007 was already conducted pursuant to the 2008 LOA and GDI has already settled its tax liabilities arising out of said investigation.**

...

Similarly, in the case of *Banco de Oro, et al. v. Republic of the Philippines, et al.*[118] (**BDO**), the Supreme Court echoed its pronouncement in *Grecia-Cuerdo*, where it declared in no uncertain terms that petitions for *certiorari* against the acts and omissions of quasi-judicial agencies, including the CIR, should be filed with the CTA, *viz*:

...

Section 7 of Republic Act No. 1125, as amended, is explicit that, except for local taxes, **appeals from the decisions of quasi-judicial agencies (Commissioner of Internal Revenue**, Commissioner of Customs, Secretary of Finance, Central Board of Assessment Appeals, Secretary of Trade and Industry) **on tax-related problems must be brought *exclusively* to the Court of Tax Appeals**.

In other words, within the judicial system, **the law intends the Court of Tax Appeals to have exclusive jurisdiction to resolve all tax problems. Petitions for writs of *certiorari* against the acts and omissions of the said quasi-judicial agencies should, thus, be filed before the Court of Tax Appeals.**

...

118 G.R. No. 198756, 16 August 2016 (Resolution); Citations omitted, italics in the original text, and emphasis supplied.

It is a settled rule that what determines the nature of the action and which court has jurisdiction over it are the allegations of the petition and the character of the relief sought.[119] The cause of action in a petition is not determined by the designation given to it by the parties.[120] The allegations in the body of the petition define or describe it.[121] The designation or caption is not controlling more than the allegations in the petition.[122] It is not even an indispensable part of the petition.[123] Accordingly, a review of the allegations is proper in order to determine the real nature of the cause of action pleaded in the petition and if petitioner-heirs' ultimate objective in filing the same involves a tax problem, which this Court may take cognizance of.

The petition pertinently alleges as follows:

> ...
>
> 19. **On 28 November 2013, a Follow-up Letter re: Letter Notice (LN) No. 25A-RLF-11-00-000101 was issued by the Respondent addressed to EMF informing the latter of the discrepancy resulting from the Reconciliations of Listing for Enforcement (RELIEF) and Third-Party Matching — Bureau of Customs (TPM-BOC) Data** Program.
>
> > **19.1. None of the Petitioners were served with a copy of the Follow-up Letter dated 28 November 2013.**
>
> 20. On 14 October 2014, Assessment Notices for alleged deficiency 2009 income tax and VAT were issued by the BIR signed by Regional Director Gerardo R. Florendo and addressed to the deceased EMF, the details of which are as follows:
>
> ...
>
> > **20.1. None of the Petitioners were served with copies of the Assessment Notices for deficiency 2009 income tax and VAT when they were issued in 2014.**
>
> 21. On 2 February 2015, **Assessment Notices for alleged deficiency 2010 income tax and VAT were issued by the BIR signed by**

---

119 *Patricio A. Villena v. Patricio S. Payoyo*, G.R. No. 163021, 27 April 2007, citing *Spouses Jorge J. Huguete and Yolanda B. Huguete v. Spouses Teofredo Amarillo Embudo and Marites Huguete-Embudo*, G.R. No. 149554, 01 July 2003.

120 *Sps. Carlos Munsalud and Winnie Munsalud v. National Housing Authority*, G.R. No. 167181, 23 December 2008.

121 Id.

122 Id.

123 Id.

Regional Director Gerardo R. Florendo and addressed to the deceased EMF, the details of which are as follows:

...

21.1. None of the Petitioners were served with copies of the said Assessment Notices for deficiency 2010 income tax and VAT when they were issued in 2015.

22. As far as Petitioners know, **no Letter of Authority (LOA), Notice of Informal Conference (NIC), Preliminary Assessment Notice (PAN), and Formal Letter of Demand (FLD) were issued against the deceased EMF** prior to the issuance of the Assessment Notices for deficiency 2009 and 2010 income tax and VAT.

23. The Assessment Notices issued by the BIR in 2014 and 2015 **merely show the computation** of basic tax due, surcharge, and interest but do not in any way present nor discuss the legal and factual basis of the assessment

24. On 8 April 2015, a Warrant of Distraint and/or Levy (WDL) was issued by the BIR Revenue Region No. 5 against the Subject Properties of the deceased EMF to enforce collection of alleged deficiency 2009 income tax and VAT in the amount of P9,639,628.50 due from EMF.

25. On 23 September 2015, the WDL was constructively served on the business address of the deceased taxpayer because the taxpayer or his authorized representatives were not present.

25.1. None of the Petitioners were served with a copy of the WDL.

26. On 9 November 2015, the BIR directed the Register of Deeds of Valenzuela City to record or register the Notice of Tax Lien issued against the Subject Properties registered in the name of the Franco Spouses in connection with EMF's alleged deficiency 2009 and 2010 income tax and VAT liabilities in the total amount of P16,847,837.60 per Assessment Notice Nos. 33990 and 34273 dated 14 October 2014 and 2 February 2015.

26.1. None of the Petitioners were served with a copy of the Notice of Tax Lien.

27. On the same date, a Notice of Levy on Real Property' was issued by the BIR against the Subject Properties to satisfy EMF's alleged deficiency 2009 and 2010 income tax and VAT liabilities in the total amount of P16,847,837.60.

27.1. None of the Petitioners were served with a copy of the Notice of Levy on Real Property dated 9 November 2015.

...

47. On 26 July 2019, the Petitioners through the Dacanay Law Office wrote a follow-up letter to Respondent CIR seeking the **approval of the compromise settlement agreement** and the lifting of the levy on the Subject Properties and delist them from auction.

...

IV.

GROUNDS FOR THE PETITION

A.

RESPONDENT [COMMISSIONER OF INTERNAL REVENUE] ACTED WITH GRAVE ABUSE OF DISCRETION AMOUNTING TO LACK OR EXCESS OF JURISDICTION IN FORFEITING THE SUBJECT PROPERTIES BELONGING TO THE PETITIONERS **WITHOUT DUE NOTICE.**

B.

RESPONDENT [COMMISSIONER OF INTERNAL REVENUE] ACTED WITH GRAVE ABUSE OF DISCRETION AMOUNTING TO LACK OR EXCESS OF JURISDICTION IN FORFEITING CCF'S CONJUGAL SHARE IN THE SUBJECT PROPERTIES EVEN IF **NO DEFICIENCY TAX ASSESSMENTS WERE PREVIOUSLY ISSUED AGAINST CCF.**

C.

RESPONDENT [COMMISSIONER OF INTERNAL REVENUE] ACTED WITH GRAVE ABUSE OF DISCRETION AMOUNTING TO LACK OR EXCESS OF JURISDICTION IN FORFEITING THE SUBJECT PROPERTIES TO ENFORCE **COLLECTION OF TAX ASSESSMENTS** THAT SHE KNEW TO BE VOID DUE TO THE ABSENCE OF A LETTER OF AUTHORITY.

D.

RESPONDENT [COMMISSIONER OF INTERNAL REVENUE] ACTED WITH GRAVE ABUSE OF DISCRETION AMOUNTING TO LACK OR EXCESS OF JURISDICTION IN WITHHOLDING APPROVAL OF PETITIONERS APPLICATION FOR COMPROMISE ON THE FLIMSY GROUND THAT PAYMENT OF **THE COMPROMISE AMOUNT CANNOT BE TRACED IN THE BIR'S INTEGRATED TAX SYSTEM DESPITE THE PRESENTATION OF SUFFICIENT EVIDENCE OF PAYMENT BY THE PETITIONERS.**[124]

...

It is clear from the foregoing allegations that despite assailing the supposedly illegal forfeiture of petitioner-heirs' property in order to satisfy the deceased E. Franco's deficiency taxes, the forfeiture issue is

[124] Petition for *Certiorari*, supra at note 2, pp. 19-27; Emphasis supplied, citations, underscoring and emphasis in the original text omitted.

but *ancillary* to their more fundamental challenge, *i.e.*, the validity of the assessment and collection proceedings undertaken by respondent CIR, since petitioner-heirs, as E. Franco's successors-in-interest, were never notified of such proceedings and no LOA had been issued, thereby violating their right to due process, as well as the alleged unjust withholding of the approval of petitioner-heirs' application for compromise, which are squarely within the "other matters" arising from the NIRC of 1997, as amended. Simply stated, **the petition's ultimate objective is thus to nullify the underlying assessments and the consequent collection efforts of respondent CIR**, for the validity of the forfeiture and the prayer for reconveyance necessarily rise or fall with the validity of the assailed assessment and collection proceedings. That the Letter of Protest[125]—whose denial spawned this case—ultimately alleged "considering that no LOA was issued in the issuance of Assessments notices to the Heirs, it is respectfully submitted that the [AN] Nos. 33990 and 34273 are NULL and VOID. Consequently, the entire proceedings conducted by this good Office which led to the forfeiture of the subject properties in the name of Mr. Eduardo M. Franco are likewise void", confirms this characterization.

This is not novel.

The Supreme Court took the same view in *Demetrio R. Alcantara v. Republic of the Philippines, etc.*[126], to wit:

> ...
> The complaint pertinently alleges as follows:
>
>> 11. That the above-described real property was purchased by the plaintiff with his hard-earned money on instalment basis from its former owner with the plan to put up his own residential house thereon where he could spend the rest of his life upon his return from the United States of America after retirement[.]...
>>
>> ...
>>
>> 12. That the plaintiff's ownership of the above-described real property is evidenced by a Transfer Certificate of Title No. T-113015 issued in his name by the Register of Deeds of Davao City, a machine copy of which is attached hereto as <u>ANNEX "A"</u> to form part hereof;

---

[125] Exhibit "P-53", supra at note 5. While its admission was denied in the 06 September 2024 Resolution, respondent CIR never disputed the document's existence, authenticity, or substance; in fact, he or she even cited the same document in his or her own pleadings, including his or her Memorandum. (Division Docket, Volume III, p. 1477)

[126] G.R. No. 192536, 15 March 2017; Italics, emphasis and underscoring in the original text and supplied.

...

14. That however, when the **plaintiff [thru his authorized representative] wanted to pay the realty tax for this year [1997] for the above-described property, his payment was not accepted by the office of the Davao City Assessor for the reason that the owner of the said property is no longer the plaintiff but a certain MAXIMO LAGAHIT** - which fact brought shock waves to the plaintiff;

15. That upon hearing the shocking information that his above-described property is already owned by a certain MAXIMO LAGAHIT, the plaintiff caused the verification of the existence of his aforesaid TCT No. T-113015 with the Office of the Register of Deeds of Davao City and he was surprised to find out **that it was cancelled on 5-18-93 by the Register of Deeds of Davao City without giving him due process of law** and **a new TCT No. T-195677 was issued in the name of the Republic of the Philippines**; A CERTIFIED TRUE COPY of the cancelled TCT No. T-113015 is attached hereto as ANNEX "G";

16. That after knowing that his said TCT No. [T]-113015 was cancelled without giving him due process of law, plaintiff further caused the verification of the same and he found out that the defendants committed the following **unlawful acts and irregularities as their basis for depriving the plaintiff of his property without due process of law, namely:**

> 16.1 ***Beyond the period of limitation prescribed by law [See Sec. 203, NIRC]*** and long after the plaintiff had left Davao City for the United States of America, the BIR made it appear that it assessed plaintiff's income tax returns for 1982 and 1983 with alleged deficiency income taxes and interests amounting to P30,797.36; Worse, the BIR falsely made it appear in its alleged INCOME TAX ASSESSMENT NOTICES that the plaintiff was residing at Ecoland Subdivision, Matina, Davao City, altho the truth was that he and his family left Davao City in August 1985 for the United States of America; Neither were the alleged INCOME TAX ASSESSMENT NOTICES published in a newspaper of general circulation; Machine copies of the alleged INCOME TAX ASSESSMENT NOTICES are attached hereto as ANNEXES "H" and "H-1";
>
> 16.2 **On the basis of the aforesaid illegal assessment made beyond the period of limitation prescribed by law and altho NO NOTICE thereof whatsoever was validly served on the plaintiff**, defendants BIR, Themistocles R. Montalban, and Amerigo D. Villegas pursued in their illegal acts of levying and seizing plaintiff's above-described property by issuing
>
> (a) **A farcical WARRANT OF DISTRAINT AND/OR LEVY wherein they FALSELY stated that the plaintiff *"failed***

> ***and refused and still fails and refuses to pay the deficiency income taxes of ₱32,076.52 notwithstanding the demands made by them*" and defendant AMERIGO D. VILLEGAS** also FALSELY certified thereunder that "a copy of the warrant of distraint and/or levy was [A] served to the taxpayer or his representative as acknowledged hereunder [B]] served constructively because the taxpayer or his representative refused to acknowledge the service of the warrant, or was not in the premises." A machine (sic) of the WARRANT OF DISTRAINT AND/OR LEVY is attached hereto as ANNEX "I";
>
> (b) A farcical NOTICE OF SEIZURE OF REAL PROPERTY **dated March 6, 1992** indicating FALSELY plaintiff's address as being at Ecoland, Matina, Davao City, a machine copy of which is attached as ANNEX "J"; Altho defendant AMERIGO D. VILLEGAS knew very well that the plaintiff had emigrated to the United States of America per his letter **dated February 27, 1989**, a machine copy of which is attached hereto as ANNEX "K", he FALSELY made it appear in the said NOTICE OF SEIZURE OF REAL PROPERTY that the plaintiff's address was at Ecoland, Matina, Davao City; Worse, he made an empty certification therein that he served a copy thereof to a certain Mr. Baldovino S. Lagbao who had absolutely NO CONTACT with the plaintiff and which kind of service was not authorized by law *[See Sec. 213. NIRC]*.
>
> (c) A **DECLARATION OF FORFEITURE OF REAL PROPERTY** on May 6, 1992 without any notice whatsoever to the plaintiff, a machine copy of which is attached hereto as ANNEX "L";
>
> 16.3 On May 13, 1993 defendant TEODORICA R. ARCEGA wrote a letter to the Register of Deeds of Davao City requesting the latter to issue a new title of the subject property in the name of the Republic of the Philippines altho, as clearly shown in the foregoing facts, the proceedings undertaken by the public defendants are *null* and *void **ab initio*** for lack of the requisite due process of law; A machine copy of the letter is attached hereto as ANNEX "M";

...

It is clear from the foregoing allegations that despite assailing the supposedly illegal confiscation of his property in order to satisfy his tax liabilities, Alcantara was really challenging the assessment and collection of taxes made against him for being in violation of his right to due process. As such, the complaint concerned the validity of the assessment and eventual collection of the taxes by the BIR. The declaration of nullity of the sale and reconveyance was founded on the validity of the assessment and eventual collection by the BIR. That the main relief sought by his complaint was "***to declare the assessments conducted by the BIR on the Income Tax Returns of [Alcantara]***

> ***for 1982 and 1983 as null and void ab initio*" as well as to declare all notices and deeds in relation to collection of the assessed taxed liabilities as null and void bolsters this conclusion.**
>
> Accordingly, the CA correctly determined that the RTC had no jurisdiction to resolve the issues raised in Alcantara's complaint.
>
> ...
>
> **The complaint was brought to assail the assessment and collection made by the Commissioner of Internal Revenue. Based on Republic Act No. 1125, prior to its amendment by Republic Act No. 9282, the <u>CTA had exclusive appellate jurisdiction</u> over the appeal** of the decisions of the Commissioner of Internal Revenue, to wit[.]
>
> ...

Despite the prayer for reconveyance, applying the ultimate objective test, since the cause of action turns on the application and construction of the NIRC of 1997, as amended, exclusive jurisdiction lies with the CTA.

We shall now determine the timeliness of the instant petition.

THE INSTANT PETITION FOR *CERTIORARI* WAS TIMELY FILED.

Section 4, Rule 65[127] of the RCP, as amended, states:

> ...
>
> Sec. 4. *When and where to file the petition*. -The petition shall be filed not later than **sixty (60) days from notice of the judgment, order or resolution.** In case a motion for reconsideration or new trial is timely filed, whether such motion is required or not, the petition shall be filed not later than sixty (60) days counted from the notice of the **denial of the motion.**[128]
>
> ...

Based on the foregoing provision, all Rule 65 petitions must be filed not later than 60 days from notice of judgment, order or resolution.

---

127 Supra at note 3.
128 Emphasis supplied and italics in the original text.

Here, what is being assailed is the denial of petitioner-heirs' reconsideration before respondent CIR, himself or herself. Considering that petitioner-heirs received the Denial Letter on 18 August 2022[129], counting 60 days therefrom, petitioner-heirs had until 17 October 2022 to file the present Petition for *Certiorari* before this Court. The instant petition filed on 14 October 2022[130] has, therefore, been timely filed and this Court successfully acquired jurisdiction over the instant case.

Respondent CIR argues that the 60-day period should be reckoned from actual knowledge of the auction as early as April 2016, of the second auction by May 2019 or of the denial of their request to hold or delist the auction by the letter dated 05 November 2021 and not from the receipt of the denial of the reconsideration.

Respondent CIR's argument does not hold water.

In determining when to reckon the 60-day period, the decisive inquiry is the point at which the assailed judicial or quasi-judicial act was performed, for it is that act which gives rise to the right to seek relief under Rule 65. Here, notices of auction do not commence the running of the 60-day because they are merely administrative collection steps and do not constitute an exercise of quasi-judicial authority that adjudicate the parties' rights. In the same vein, the 05 November 2021 letter denying the request to hold or delist the auction of the subject properties cannot be treated as the proper reckoning point. Even assuming *arguendo* it bore a quasi-judicial character, it (*i.e.*, denial of the holding or delisting the properties on the ground of a *pending* compromise) is not the action being challenged by petitioner-heirs. As earlier discussed, they are assailing the assessment and collection procedures adjudicated and passed upon in the Denial Letter received by petitioner-heirs on 18 August 2022. Thus, the 60-day period is counted from receipt of that denial, consistent with Section 4, Rule 65 of the RCP, as amended.

Having established the Court's jurisdiction over the present petition and the timeliness of its filing, We shall now proceed to determine its propriety.

---

129 Supra at note 4.
130 Supra at note 2.

REQUISITES OF A PETITION FOR *CERTIORARI.*

For a traditional special civil action for *certiorari* under Rule 65[131] of the RCP, as amended, to prosper, the following requisites must concur:

1. It must be directed against a tribunal, board, or officer exercising judicial or quasi-judicial functions;
2. The tribunal, board, or officer must have acted without or in excess of jurisdiction, or with grave abuse of discretion amounting to lack or excess of jurisdiction; and
3. There is no appeal or any plain, speedy, and adequate remedy in the ordinary course of law.[132]

I. RESPONDENT COMMISSIONER OF INTERNAL REVENUE WAS EXERCISING QUASI-JUDICIAL FUNCTIONS

Quasi-judicial power has been defined as the power of the administrative agencies, such as respondent CIR, to make determinations of facts in the performance of their official duties and to apply the law as they construe it to the facts so found.[133]

The Denial Letter[134] states:

> ...
>
> This refers to your letter dated March 25, 2022 seeking information relative to the status of your previous letter dated December 14, 2021 assailing the legality of the auction sale considering that the Assessment Notice was made based only on Letter Notice (LN) No.25 A-RLF-09-00-00073 without Letter of Authority (LOA), hence null and void. Thus[,] alleging that the entire proceedings conducted by the BIR which lead to the forfeiture of the properties in the name of Mr. Eduardo M. Franco are likewise void.

---

131 Supra at note 3.

132 *Clark Investors and Locators Association, Inc. v. Secretary of Finance, et al.*, G.R. No. 200670, 06 July 2015.

133 Carlo Cruz, Philippine Administrative Law 49 (2007).

134 Supra at note 4; Emphasis supplied.

> **Taking into consideration your arguments**, the failure of Mr. Franco's heirs to redeem the property within the prescribed period renders the forfeiture of Mr. Franco's property in favor of the government absolute pursuant to Section 215 of the National Internal Revenue Code (Tax Code) of 1997, as amended, which states as follows[.]
>
> ...

As can be gleaned from the foregoing, the Denial Letter expressly weighed petitioner-heirs' arguments and applied Section 215[135] of the NIRC of 1997, as amended, to conclude that the failure to redeem within the prescribed period rendered the forfeiture "absolute." By evaluating facts and applying the NIRC of 1997, as amended, respondent CIR was exercising quasi-judicial power in issuing the Denial Letter.

II. RESPONDENT COMMISSIONER OF INTERNAL REVENUE ACTED WITH GRAVE ABUSE OF DISCRETION AMOUNTING TO LACK OR EXCESS OF JURISDICTION IN HEEDLESLY PROCEEDING WITH TAX COLLECTION WITHOUT ASCERTAINING *FIRST* WHETHER HE OR SHE HAD A VALID TAX ASSESSMENT

Article 777 of the Civil Code states that:

> ...
>
> ART. 777. The rights to the succession are transmitted **from the moment of the death of the decedent**.[136]
>
> ...

The operation of Article 777 occurs at the very moment of the decedent's death – the transmission by succession occurs at the precise moment of death and, therefore, the heir is legally deemed to have acquired ownership of his/her share in the inheritance at that very moment.[137]

135 Supra at note 45.
136 Emphasis supplied.
137 *Dr. Nixon L. Treyes v. Antonio L. Larlar, et. al.*, G.R. No. 232579, 08 September 2020.

In the present case, it was shown that E. Franco died on 21 February 2013[138] and was survived by petitioner-heirs. Subsequently, C. Franco passed away on 06 July 2013.[139] Evidently, petitioner-heirs are the owners of the subject properties from 06 July 2013.

However, a perspicacious review of the records of the case reveals that all ANs were issued and dated after petitioner-heirs acquired ownership over the subject properties, *i.e.*, AN No. D34273 was issued on 02 February 2015 and AN No. D33990 was issued on 14 October 2014.[140]

In the case of *Estate of the Late Juliana Diez Vda. De Gabriel v. Commissioner of Internal Revenue*[141], the Supreme Court, citing the case of *Republic of the Philippines v. Leonor De la Rama, et. al.*[142], highlighted the importance of a valid service to an authorized person/s to bind the estate of the deceased, *viz*:

> ...
>
> In *Republic v. De le Rama*, we clarified that, when an estate is under administration, notice must be sent to the administrator of the estate, since it is the said administrator, as representative of the estate, **who has the legal obligation to pay and discharge all debts of the estate and to perform all orders of the court.** In that case, legal notice of the assessment was sent to two heirs, neither one of whom had any authority to represent the estate. We said:
>
>> The notice was not sent to the taxpayer for the purpose of giving effect to the assessment, and said notice could not produce any effect. In the case of *Bautista and Corrales Tan v. Collector of Internal Revenue* ... this Court had occasion to state that "the assessment is deemed made when the notice to this effect is released, mailed or sent to the taxpayer for the purpose of giving effect to said assessment." **It appearing that the person liable for the payment of the tax did not receive the assessment, the assessment could not become final and executory.**
>
> ...

[138] Exhibit "P-1", supra at note 20.
[139] Exhibit "P-2", supra at note 22.
[140] See Exhibits "P-37" and "P-38", supra at notes 30 and 31, respectively.
[141] G.R. No. 155541, 27 January 2004; Citations omitted, emphasis supplied, italics and underscoring in the original text.
[142] G.R. No. L-21108, 29 November 1966.

Here, all the ANs were issued to the already deceased E. Franco, and no copies thereof were ever served to petitioner-heirs.[143]

As a counterpoint, respondent CIR argues that service at the last known address sufficed and that he or she was unaware of the death when the notices were issued.

We are not convinced.

The record shows that on **19 April 2016**, before the 28 April 2016 auction, respondent CIR was notified of E. Franco's death, the taxpayer of the subject assessments. Despite this, respondent CIR pressed on with enforcement based on notices addressed to a person without juridical capacity, who could neither be notified nor bound.[144] This plainly violates the mandatory due process requirements on issuance and service of assessment notices, which must be strictly complied with and proven by respondent CIR and of the basic rudiments of fair play before one's property may be taken.

Having been apprised of the death, respondent CIR was duty-bound to suspend the sale, verify service and properly notify petitioner-heirs, then afford the latter the statutory periods to respond and protest. To proceed with the auction despite clear notice of non-service to the real parties-in-interest is capricious disregard of due process, amounting to grave abuse of discretion.

Additionally, the subsequent proceedings were marred by irregularities.

For one, Revenue Memorandum Order (**RMO**) No. 28-12[145] requires that:

> ...
>
> ***Service of Notice of Levy***
>
> The Revenue Officer/Seizure Agent shall:

143 See III. Statement of Facts and Material Proceedings, Respondent CIR's Memorandum, supra at note 97, p. 1474.
144 Civil Code, Article 37.
145 Updated and Consolidated Collection Manual.

1. Serve by registered mail to the delinquent taxpayer the duplicate copy of the Notice of Levy duly acknowledged by the Register of Deeds or the Local Assessor's office, as the case may be;
2. **Personally serve the NOL to the individual**/corporate taxpayers, in case the NOL is not received by the taxpayer through mail, as follows:

   2.1. If the taxpayer is an Individual:

   2.1.1. If the individual taxpayer can be located, physically serve the NOL. If the taxpayer refuses to accept the NOL, ask two (2) credible witnesses, preferably BIR officers to sign the NOL and leave the copy of the NOL at the premises where the real property is located or at the taxpayer's residence; and

   2.1.2. If the individual taxpayer is abroad, locate taxpayer's agent/representative and serve the NOL to the agent/representative. **If the agent is not located, serve the NOL to the occupant of the covered by the NOL. Post the facts of the NOL on the property levied upon and publish in a newspaper of general circulation.**[146]

...

Here, the NOL was found at the deceased E. Franco's business address, *i.e.*, Panghulo, Obando, **Bulacan.**[147] Yet the properties subject of the levy lie in **Valenzuela City**, as follows:[148]

Transfer Certificate of Title (TCT)/Tax Declaration (TD) No.	**Location**	**Area in square meter (sq.m.)**
TCT No. V-97616/ TD No. C-014-08459	Malanday, Valenzuela City	500.00
TCT No. V-97616/ TD No. C-014-08459		1,000.00
TD No. C-014-08651		132.00
TD No. C-016-14140	Malinta, Valenzuela City	8.00
TCT No. V-36007/ TD No. C-031-22589	Marulas, Valenzuela City	242.00
TD No. C-031-22590		346.75
TCT No. V-36008/ TD No. C-031-22591		220.00

[146] Italics and emphasis in the original text and supplied.
[147] See Exhibits "P-35" and "P-36", supra at notes 23 and 29, respectively.
[148] Supra at pp. 3-4.

TD No. C-031-22592		147.42
TD No. C-031-22593		6.20
TD No. C-031-22594		26.50

There is no showing that the NOL was served on the occupant/s of the Valenzuela properties or posted on the premises, contrary to the clear directive of RMO No. 28-12.

The irregularities did not end there.

Despite respondent CIR's knowledge that rights over the subject properties had passed to petitioner-heirs, they were never furnished a copy of the Declaration of Forfeiture duly acknowledged by respondent ROD. This omission is material, for RMO No. 28-12 obliges:

> ...
> The Revenue Officer/Seizure Agent shall:
>
> 1. Prepare a Declaration of Forfeiture of Real Property — BIR Form No. 1306 (**Annex 300-1.53**) for signature by the duly authorized signatory;
>
> 2. File the Declaration of Forfeiture with the Register of Deeds/Local Assessor who has jurisdiction over the property that is the subject of sale within two (2) days after the sale;
>
> 3. Secure copy of the annotated OCT/TCT/CCT/TD and record in the Warrant Register and Inventory of Seized Personal Property and Forfeited Real Property. Attach the copy of the annotated OCT/TCT/CCT/TD, together with the Declaration of Forfeiture, the Minutes/Report of sale and the Notice of Sale to the docket of the tax case, for record purposes;
>
> 4. **Provide taxpayer/occupant of the property with the duplicate copy of the Declaration of Forfeiture of Real Property duly acknowledged by the Register of Deeds/Local Assessor (Refer to CM 305.11 Redemption/Final Deed to Purchaser and CM 307 — Monitoring of Warrant Enforcement); and**
>
> 5. Prepare a Report of Properties Purchased and/or Forfeited by the Government (**Annex 300-1.48**) and submit the same not later than the tenth (10th) day of the following month to the Regional Director thru the Regional Collection Division/LTS thru the LTCED for consolidation and submission to the Collection Service

> thru the Collection Enforcement Division not later than the fifteenth (15th) day of the following month (Annex 300-1.49).[149]
>
> ...

Such notice is essential, for it apprises petitioner-heirs of the fact of forfeiture and signals the commencement of the one (1)-year redemption period. Deprived of this notice, petitioner-heirs were effectively denied the very opportunity the law affords those whose properties stand on the precipice of loss.

Taken together, these lapses all coalesce into a troubling portrait of caprice and arbitrariness in the conduct of the assessment and collection of alleged deficiency taxes of the deceased E. Franco.

Grave abuse of discretion under Rule 65[150] of the RCP, as amended, has a specific meaning. It is the "arbitrary or despotic exercise of power due to passion, prejudice or personal hostility; or the whimsical, arbitrary, or capricious exercise of power that amounts to an evasion or refusal to perform a positive duty enjoined by law or to act at all in contemplation of law."[151]

Here, respondent CIR's actions, at every turn, reveal a pattern that fits squarely within such meaning. The failure to observe mandatory procedures, the disregard of notice requirements and the enforcement of assessments issued to one who has no juridical capacity collectively constitute grave abuse of discretion.

It must be emphasized that for respondent CIR to successfully pursue the collection of taxes through any of the available legal remedies, it is imperative that such tax collection must be preceded by a valid assessment. After all, a void assessment bears no fruit.[152]

The case of *Mannasoft Technology Corporation v. Commissioner of Internal Revenue*[153] is emphatic that an assessment that fails to strictly

---

149 Emphasis in the original text and supplied.
150 Supra at note 3.
151 *Main T. Mohammad v. Office of the Secretary, Department of Justice, Menardo I. Guevarra, in his capacity as Secretary of Justice*, G.R. No. 256116, 27 February 2024.
152 *Commissioner of Internal Revenue v. Metro Star Superama, Inc*, supra at note 1.
153 G.R. No. 244202, 10 July 2023; Emphasis supplied.

comply with the due process requirements in the issuance of an assessment is void and produces no effect, to wit:

> ...
>
> **Well-settled is the rule that an assessment that fails to strictly comply with the due process requirements set forth in Section 228 of the Tax Code and Revenue Regulations No. 12-99 is void and produces no effect.** Consequently, given that the assessment notices were void, the resulting WDL is likewise invalid and without effect.
>
> ...

III. PETITIONER-HEIRS HAVE NO OTHER PLAIN, SPEEDY AND ADEQUATE REMEDY

Petitioner-heirs have no plain, speedy and adequate remedy other than the instant petition. It bears emphasis that the titles to the subject properties have already been transferred to respondent Republic of the Philippines and the NIRC of 1997, as amended, provides no remedy for heirs to assail assessment and collection procedures after full enforcement has taken place.

Respondent CIR argues that petitioner-heirs should have availed themselves of the protest procedure under Section 228 of the NIRC of 1997, as amended, upon learning of the proceedings on 19 April 2016 and their failure to do so renders this petition a belated substitute for a remedy long foregone.

We remain unconvinced.

The ANs were indisputably issued to the already deceased E. Franco, not to petitioner-heirs. They were bare computations devoid of any factual or legal basis from which a meaningful protest could arise. No petitioner-heir could reasonably be expected to mount an intelligent challenge to the assessments.

The record further reveals that petitioner-heirs did not sleep on their rights. They sought administrative recourse at every turn. They offered a compromise, pleaded for the suspension of auction, sought the lifting of levy, pursued guidance from respondent CIR's authorized

representatives and ultimately lodged a protest before respondent CIR, himself or herself. Their efforts form a continuous thread of attempts to obtain redress, each strand met with silence or denial, until no avenue remained but recourse to this Court.

Accordingly, since the challenged acts are tainted by grave abuse of discretion and no appeal or other plain, speedy, and adequate remedy exists, *certiorari* under Rule 65 properly lies.

WHEREFORE, premises considered, the Petition for *Certiorari* filed by petitioners Heirs of Spouses Eduardo M. Franco and Celia C. Franco namely, Maria Isabel C. Franco-Ignacio, Ferdinand C. Franco, Maria Cecilia C. Franco-Cruz, and the Heirs of Eduardo C. Franco, Jr. namely, Nancy A. Franco, Ivy Christine A. Franco, Franchesca Mae A. Franco-Lukban, Junile Emancel A. Franco, Marian Edylene A. Franco and Eduardo Angelo A. Franco on 14 October 2022, is **GRANTED**.

1. Assessment Notice Nos. D33990 and D34273 for calendar years 2009 and 2010 are **DECLARED VOID**;

2. Consequently, the Warrant of Distraint and/or Levy, the Notice of Tax Lien, the Notice of Levy, the forfeiture and the consolidation of titles in favor of respondent Republic of the Philippines are likewise **DECLARED VOID** and are **SET ASIDE**;

3. Respondent Register of Deeds of Valenzuela City is **DIRECTED** to:

    a. **CANCEL** the Transfer Certificates of Title issued in the name of respondent Republic of the Philippines covering the subject properties (TCT Nos. 013-2017003463, 013-2017003465 and 013-2017003484), and

    b. **REINSTATE** the corresponding titles in the names of Spouses Eduardo M. Franco and Celia C. Franco, or in the names of their respective Estates, without prejudice to the settlement of said Estates under existing laws and procedures;

4. Respondent Commissioner of Internal Revenue is **ORDERED** to **LIFT** and **CANCEL** all annotations of lien, levy,

encumbrance, forfeiture, or similar adverse claims on the subject properties, and to cause the immediate recall of any certificates or instruments issued pursuant to the void acts herein nullified; and

5. Respondent or any person acting on his or her behalf, is **ENJOINED** and **PROHIBITED** from further enforcing the deficiency tax assessments covered by Assessment Notice Nos. D33990 and D34273.

SO ORDERED.

JEAN MARIE A. BACORRO-VILLENA
Associate Justice

I CONCUR:

LANEE S. CUI-DAVID
Associate Justice

ATTESTATION

I attest 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's Division.

JEAN MARIE A. BACORRO-VILLENA
Associate Justice
First Division Acting Chairperson

CERTIFICATION

Pursuant to Article VIII, Section 13 of the Constitution, and the First Division Acting Chairperson's Attestation, 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's Division.

MA. BELEN M. RINGPIS-LIBAN
Acting Presiding Justice