

**REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY**

FIRST DIVISION

REPUBLIC OF THE PHILIPPINES,
represented by the Bureau of Customs,
Plaintiff,

- versus -

SOLID MILLS, INC.,
Defendant.

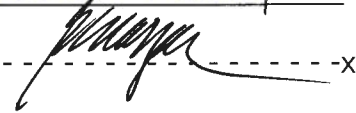
C.T.A. OC CASE NO. 011

Members:

ACOSTA, Chairperson
BAUTISTA, and
CASANOVA, JJ.

Promulgated:

APR 14 2008 9:00 am



X ----- X

RESOLUTION

On December 11, 2007, plaintiff Bureau of Customs (BOC) and defendant Solid Mills, Inc. both submitted the Compromise Agreement¹ duly entered into and signed by their authorized representatives on August 10, 2007, the essential terms of which provide that:

1. Plaintiff Bureau of Customs (BOC) seeks to collect from defendant, Solid Mills, Inc., the total amount of Php4,315,695.00 representing unpaid taxes and customs duties from the latter's past importations;
2. To put an end to the present litigation, defendant offered to settle its obligation to plaintiff by supplying Tax Credit Certificates (TCCs) with the total face value of Php3,408,847.00;
3. In addition to the value of the TCCs, defendant also offered to pay the cash amount of Php321,301.00;

¹ Annex "A", Joint Motion to Approve Compromise Agreement filed on December 11, 2007, pp 241-249, CTA Docket.

4. The One-Stop-Shop Duty Drawback Center of the Department of Finance, in its May 3, 2006 Certification², certified the subject TCCs are authentic and valid;
5. The offer to settle by defendant was approved and accepted by the BOC's Tax Credit Committee in its July 20, 2006 Resolution³; and
6. For and in consideration of the foregoing terms, the parties waive and forever renounce their respective claims and counterclaims against each other in this instant case.

However, in a Resolution dated February 6, 2008, this Court found that, although the terms and conditions of the aforementioned Agreement are in order, not having been entered into contrary to law, morals, good customs, public order or public policy, the same was wanting of the required "approval" from the Secretary of Finance, pursuant to Section 2316 of the Tariff and Customs Code of the Philippines. In this regard, the parties' Compromise Agreement was denied.

Defendant now submits this "Motion for Reconsideration" filed on February 26, 2008 seeking the reconsideration of the Resolution denying its Compromise Agreement on the ground that they have indeed secured the required approval from the Secretary of Finance, as evidenced by the copy of the said Agreement submitted to this Court on October 15, 2007.

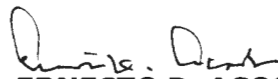
Finding the "Compromise Agreement" entered into by the parties, and duly approved by the Secretary of Finance, pursuant to Section 2316 of the Tariff and Customs Code of the Philippines (TCCP), to be in order, defendant's "Motion for Reconsideration" filed on February 26, 2008 is hereby **GRANTED**.

² Annex "B", supra

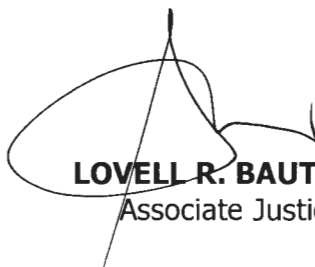
³ Annex "C", supra

WHEREFORE, in view of the foregoing, the parties' "Compromise Agreement" is hereby **APPROVED**, in accordance with the terms and conditions as set forth in the said Agreement. Accordingly, the Petition for Review in the above-captioned case is deemed **WITHDRAWN** and the case is considered **CLOSED** and **TERMINATED**.

SO ORDERED.



ERNESTO D. ACOSTA
Presiding Justice



LOVELL R. BAUTISTA
Associate Justice



CAESAR A. CASANOVA
Associate Justice