REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

SPECIAL SECOND DIVISION

VICTOR R. DEL ROSARIO RICE MILL CORPORATION,
Petitioner,

CTA CASE NO. **10082**

- versus -

HON. REY LEONARDO B. GUERRERO, IN HIS OFFICIAL CAPACITY AS COMMISSIONER OF CUSTOMS, ATTY. ERASTUS SANDINO AUSTRIA, IN HIS OFFICIAL CAPACITY AS DISTRICT COLLECTOR, MANILA INTERNATIONAL CONTAINER PORT, AND THE BUREAU OF CUSTOMS,
Respondents.

Members:

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

Promulgated:
JAN 2 0 2023 11:20 am

x - x

RESOLUTION

BACORRO-VILLENA, J.:

For the Court's resolution is petitioner Victor R. Del Rosario Rice Mill Corporation (**petitioner**'s/**VRDRRMC**'s) "Motion for Reconsideration (Re: Decision dated 28 June 2022)"[1] (**MR**) filed on 27 July 2022, with respondents Hon. Rey Leonardo B. Guerrero, in his official capacity as Commissioner of Customs, Atty. Erastus Sandino Austria, in his official capacity as District Collector, Manila International Container Port, and the Bureau of Customs' (collectively, **respondents**'/**Customs Commissioner**

---

[1] Division Docket, Volume IV, pp. 1805-1828.

Guerrero's/**MICP District Collector Austria**'s/**BOC**'s) "Comment (Re: Motion for Reconsideration dated 27 July 2022)"[2] (**Comment**), filed on 22 August 2022.

Petitioner seeks the reversal of the Court's Decision in the above-captioned case dated 28 June 2022[3] (**assailed Decision**). The dispositive portion thereof reads:

> ...
>
> **WHEREFORE**, in light of the foregoing considerations, the instant Petition for Review filed by petitioner Victor R. del Rosario Rice Mill Corporation on 21 May 2019 is hereby **DISMISSED** for lack of jurisdiction.
>
> **SO ORDERED.**
>
> ...

In the present MR[4], petitioner insists that the separate Letter-Appeals[5] both dated 25 January 2019, filed before respondent Customs Commissioner Guerrero by petitioner's Licensed Customs Brokers (Albert John P. Unica [**LCB Unica**] and Jerson M. Delos Reyes [**LCB Delos Reyes**]) substantially complied with the requirements under Customs Memorandum Order (**CMO**) No. 18-2014.[6] The said CMO provides the guidelines for lifting an abandonment order on import shipments applicable at that time (prior to its repeal through CMO No. 17-2019[7] which was dated and signed on 15 April 2019). Thus, the said Letter-Appeals may be considered as the "appeal" contemplated under CMO No. 18-2014. According to petitioner, it follows that respondent Customs Commissioner Guerrero's Consolidated Order dated 01 April 2019[8] (**assailed Consolidated Order**) may be considered as the "Decision of the Commissioner of Customs" appealable to and reviewable by this Court.

---

2 Id., pp. 1836-1842.
3 Id., pp. 1749-1804.
4 Supra at note 1.
5 Exhibit "P-18", Division Docket, Volume I, pp. 124-132; Denied admission for failure to present the original for comparison *per* Resolution dated 29 September 2020, Division Docket, Volume III, pp. 1352-1353.
6 Guidelines on Lifting an Order of Abandonment.
7 Guidelines on the Recall/Lifting/Reconsideration/Setting Aside of Any Order/Decree/Decision of Abandonment, 15 April 2019.
8 Exhibit "P-19", BOC Records, Folder 2, pp. 724-739.

In arguing that the Letter-Appeals[9] may be considered as the "appeal" contemplated under CMO No. 18-2014[10], as it substantially complied with the required information enumerated in Section 5[11] thereof, petitioner notes that this Court's rigid application of, and strict compliance with, the requirements of CMO No. 18-2014 defeats substantial justice. Petitioner notes that nowhere in the said regulation does its state that failure to allege all or any of the enumerated information results in the appeal not being perfected. Petitioner hence implores this Court to relax the procedural rules in the interest of substantial justice.

Petitioner likewise disagrees with this Court's finding that respondent Customs Commissioner Guerrero's assailed Consolidated Order[12] was just an affirmation or confirmation of respondent MICP District Collector Austria's Order dated 27 February 2019[13], in accordance with CMO No. 17-2019.[14] According to petitioner, CMO No. 17-2019 should not be applied to this case because, at the time the Decrees of Abandonment[15] were issued on 14 January 2019 and the Letter-Appeals[16] were filed with respondent Customs Commissioner Guerrero on 25 January 2019, it was not yet in effect.[17] Instead, the lifting of the abandonment of the subject goods is still governed by CMO No. 18-2014[18], which does not require the District Collector to transmit his decision to the Commissioner of Customs for confirmation (unlike in CMO No. 17-2019).

---

9 Supra at note 5.
10 Supra at note 6.
11 SEC. 5. Any such request should contain the following information:
a. Name of Consignee
b. TIN # of Consignee
c. Date of discharge of shipment
d. Registry Number
e. Bill of Lading Number
f. Port of Discharge
g. Description of Contents
h. If entry was filed:
    i. Date of filing of entry; and
    ii. Entry number
i. Reason why lifting of abandonment is sought
j. Documents to attach:
    i. Copy of bill of lading; and
    ii. If entry was not filed in e2m: copy of IEIRD.
12 Supra at note 8.
13 Exhibit "P-71", BOC Records, Folder 2, pp. 710-723.
14 Supra at note 7.
15 Exhibits "R-19" to "R-33", Division Docket, Volume IV, pp. 1514-1558.
16 Supra at note 5.
17 Supra at note 7.
18 Supra at note 6.

Even assuming that the assailed Consolidated Order[19] cannot be considered as the decision appealable and reviewable by this Court absent a proper appeal before respondent Customs Commissioner Guerrero, petitioner further claims that the assailed Consolidated Order falls under "other matters arising under the Customs Law or other laws administered by the Bureau of Customs", as stated in Section 7(a)(4)[20] of Republic Act (**RA**) No. 1125[21], as amended by RA No. 9282[22]; hence, this Court has jurisdiction over the present case.

Moreover, petitioner maintains that the "abandonment proceedings" under which the Decrees of Abandonment[23] are anchored on is intrinsically void as allegedly it is not disputed that the customs duties and taxes were paid in advance. As such, according to petitioner, the sending *via* email of respondent MICP District Collector's 12 January 2019 "Notice to Pay"[24], the conduct of the abandonment proceedings, the issuance of the Decrees of Abandonment, and the promulgation of respondent Customs Commissioner Guerrero's assailed Consolidated Order[25] and Resolution dated 02 May 2019[26] (**assailed Resolution**), are all erroneous and unwarranted.

Lastly, petitioner claims that, following the advance payment of the customs duties and taxes, respondents are obligated to turn over the proceeds of the auction sale to it as provided under Section 1130[27]

---

19 Supra at note 8.

20 Sec. 7. *Jurisdiction.* — The CTA shall exercise:

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

...

(4) Decisions of the Commissioner of Customs in cases involving liability for customs duties, fees or other money charges, seizure, detention or release of property affected, fines, forfeitures or other penalties in relation thereto, or other matters arising under the Customs Law or other laws administered by the Bureau of Customs[.]

21 AN ACT CREATING THE COURT OF TAX APPEALS.

22 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.

23 Supra at note 15.

24 Exhibit "R-17", Division Docket, Volume IV, p. 1512.

25 Supra at note 8.

26 Exhibit "P-20", BOC Records, Folder 2, pp. 627-659.

27 **SEC. 1130.** *Treatment and Disposition of Abandoned Goods.* — ...

of RA No. 10863 or the Customs Modernization and Tariff Act of 2016 (**CMTA**); lest the principle of unjust enrichment will be violated.

In their Comment[28], respondents counter-argue that petitioner's contentions are misplaced. They echo this Court's findings that petitioner did not file an appeal before respondent Customs Commissioner Guerrero as it failed to comply with the formal requirements of an appeal and did not indicate the necessary information mandated, as required by CMO No. 18-2014[29], and petitioner's Motions to Set Aside/Recall the Order of Abandonment[30] (**Motions to Recall**) were still pending before respondent MICP District Collector Austria when petitioner supposedly appealed the Decrees of Abandonment[31] to respondent Customs Commissioner Guerrero. Accordingly, respondents assert that this Court did not err when it ruled that it has no jurisdiction to rule on the present Petition for Review[32] considering that the Decrees of Abandonment had already attained finality.

Anent petitioner's contention that it had already paid the customs duties and taxes, respondents maintain that the debits against petitioner's Land Bank of the Philippines (**LandBank**) account in the amounts of ₱350,929,225.00 and ₱41,324,794.00 were not for payment of customs duties for the subject rice import shipments but instead merely earmarked for future payment of customs duties.

Respondents also point out that petitioner failed and continuously fails to pay the assessed customs duties, demurrage, and other related charges for the subject import shipments. Accordingly, any proceeds from any public auction of the seized import shipments should first be applied to the unpaid customs duties, demurrage, and other related charges.

We rule below.

---

28 Supra at note 2.
29 Supra at note 6.
30 Exhibits "P-72" to "P-82", BOC Records, Folder 3, pp. 401-444, Folder 4, pp. 144-299 and Folder 5, pp. 102-143.
31 Supra at note 15.
32 Division Docket, Volume I, pp. 20-282, with annexes.

After an assiduous review of the parties' contrasting arguments and a second hard look on the records of the present case, this Court finds no compelling reason to modify, much more, to reverse the assailed Decision.

Nonetheless, for clarity, We shall discuss and reiterate the reasons for the dismissal of petitioner's Petition for Review[33] and address the points raised in the present MR[34] *in seriatim*.

NO SUBSTANTIAL COMPLIANCE WITH CUSTOMS MEMORANDUM ORDER (CMO) NO. 18-2014.

Contrary to petitioner's contention and as explained in the assailed Decision[35], the subject "Letter-Appeals"[36] may not be considered as the "appeal" contemplated under CMO No. 18-2014[37] because: (1) it was filed by petitioner's customs brokers, LCBs Unica and Delos Reyes, and cover shipments of other clients of said customs brokers; (2) it does not contain required information such as (*i*) petitioner's Tax Identification Number (**TIN**), (*ii*) the date of discharge of shipments, (*iii*) the registry numbers, (*iv*) the date of filing of the import entries and the entry numbers, (*v*) nor were copies of the Bills of Lading (**BLs**) attached thereto; and, (3) petitioner subsequently filed Motions to Recall[38] before respondent MICP District Collector Austria despite its supposed appeal on the Decrees of Abandonment[39] with respondent Customs Commissioner Guerrero. These clearly belie petitioner's claim of substantial compliance with CMO No. 18-2014.

PETITIONER DID NOT FILE AN APPEAL BEFORE RESPONDENT CUSTOMS COMMISSIONER GUERRERO.

---

33 Supra at note 32.
34 Supra at note 1.
35 Supra at note 3.
36 Supra at note 5.
37 Supra at note 6.
38 Supra at note 30.
39 Supra at note 15.

Considering that the subject "Letter-Appeals"[40] failed to comply with the formal requirements of an appeal under CMO No. 18-2014[41] plus the fact that petitioner's Motions to Recall[42] were still pending before respondent MICP District Collector Austria, no appeal may be deemed to have been filed before respondent Customs Commissioner Guerrero.

Further, as likewise pointed out in the assailed Decision[43], respondent Customs Commissioner Guerrero's assailed Consolidated Order[44] was not issued to resolve petitioner's Letter-Appeals[45] and it was issued merely to confirm or affirm respondent MICP District Collector Austria's Order dated 27 February 2019.[46] Notably, nowhere in the assailed Consolidated Order was there a mention of an appeal filed by petitioner before respondent Customs Commissioner Guerrero.

Despite that CMO No. 17-2019[47] (which expressly requires the District Collector to transmit his decision to the Commissioner of Customs for confirmation) was not yet in effect when respondent Customs Commissioner Guerrero's assailed Consolidated Order[48] was issued on 01 April 2019, the fact remains that no appeal was filed before respondent Customs Commissioner Guerrero in the manner specified in Section 114[49] of the CMTA, *i.e.*, pertaining to the formal requirements of an appeal under CMO No. 18-2014[50], in connection with respondent MICP District Collectors' Decrees of Abandonment[51] of the subject rice import shipments.

---

40 Supra at note 5.
41 Supra at note 6.
42 Supra at note 30.
43 Supra at note 3.
44 Supra at note 8.
45 Supra at note 5.
46 Supra at note 13.
47 Supra at note 7.
48 Supra at note 8.
49 SEC. 114. *Right of Appeal, Forms and Ground.* — Any party adversely affected by a decision or omission of the Bureau pertaining to an importation, exportation, or any other legal claim shall have the right to appeal within fifteen (15) days from receipt of the questioned decision or order.

An appeal in writing shall be filed within the period prescribed in this Act or by regulation and shall specify the grounds thereof.

The Bureau may allow a reasonable time for the submission of supporting evidence to the appeal.
50 Supra at note 6.
51 Supra at note 15.

More importantly, even though CMO No. 17-2019[52] took effect only on **15 April 2019**, the said customs issuance already repealed CMO No. 18-2014[53] at the time petitioner received a copy of respondent Customs Commissioner Guerrero's assailed Consolidated Order[54] on **02 May 2019**.[55] Thus, the parameters with which to determine whether or not respondent Customs Commissioner Guerrero's assailed Consolidated Order is the one contemplated by law and regulations as the 'decision appealable to and reviewable by this Court' should then be based on the guidelines provided for in CMO No. 17-2019.

Clearly from Item No. 5[56] of CMO No. 17-2019[57], petitioner's next recourse from receipt of respondent Customs Commissioner Guerrero's assailed Consolidated Order[58], which confirmed respondent MICP District Collector Austria's Order dated 27 February 2019[59], would be to file an appeal before respondent Customs Commissioner Guerrero in the manner and time specified in Section 114[60] of the CMTA.

In the instant case, records reveal the following sequence of relevant events, *viz*:

Date	Relevant Event
14 January 2019	Respondent MICP District Collector issued the Decrees of Abandonment.[61]
24 January 2019	Petitioner filed its Letter-Appeal dated 23 January 2019[62] with respondent MICP District Collector Austria.

52 Supra at note 7.
53 Supra at note 6.
54 Supra at note 8.
55 Affidavit of Service executed by respondent BOC's Legal Assistant, Bernabe G. Mendoza, Jr., BOC Records, Folder 2, pp. 743-744.
56 In the absence of a clear and specific provision under the Customs Modernization and Tariff Act (CMTA) of 2016, on resolving a Motion to Recall/Lift/Reconsider/Set Aside any Order/Decree of Abandonment issued by the District Collector having jurisdiction over the goods/shipments, the following guidelines shall be observed:

...

5. **The Decision of the District Collector duly confirmed by the Office of the Commissioner shall become final and executory within fifteen (15) days from receipt by the owner/importer/consignee of the questioned Order/Decree/Decision unless appealed to the Commissioner in the manner and time specified in Section 114 of the CMTA, which allows appeal from any decision/omission of the Bureau pertaining to an importation, exportation, or any legal claim.** (Emphasis and underscoring supplied)

57 Supra at note 7.
58 Supra at note 8.
59 Supra at note 13.
60 Supra at note 49.
61 Supra at note 15.

Date	Relevant Event
25 January 2019	Petitioner's brokers filed separate Letter-Appeals[63] with respondent Customs Commissioner Guerrero, requesting to lift the Decrees of Abandonment.
31 January 2019	Petitioner filed Motions to Recall[64] before respondent MICP District Collector Austria to contest the Decrees of Abandonment.
27 February 2019	Respondent MICP District Collector Austria issued the Order dated 27 February 2019[65], denying petitioner's Letter-Appeal dated 23 January 2019.[66]
01 April 2019	Respondent Customs Commissioner Guerrero issued the assailed Consolidated Order[67], affirming respondent MICP District Collector Austria's Order dated 27 February 2019.[68]
02 May 2019	Respondent Customs Commissioner Guerrero issued the assailed Resolution[69], approving respondent MICP District Collector Austria's request for the public auction of the rice shipments.
02 May 2019[70]	Petitioner received a copy of the assailed Consolidated Order.[71]
07 May 2019	Petitioner received a copy of the assailed Resolution.[72]
21 May 2019	Petitioner filed the instant Petition for Review.[73]

Notably, instead of filing an appeal before respondent Customs Commissioner Guerrero on or before 17 May 2019, which is fifteen (15) days from petitioner's receipt of the assailed Consolidated Order[74] on 02 May 2019 [based on the Affidavit of Service[75] executed by respondent BOC's Legal Assistant, Bernabe G. Mendoza, Jr. (**Mendoza**)], petitioner opted to file an appeal directly with this Court. Unfortunately for petitioner, respondent MICP District Collector Austria's Order dated 27 February 2019[76] (which was affirmed through the assailed Consolidated Order) had already become final and executory by the time it filed the present Petition for Review.[77]

---

62 Exhibit "P-17", Division Docket, Volume I, p. 123; Denied admission for failure to present the original for comparison *per* Resolution dated 29 September 2020, Division Docket, Volume III, pp. 1352-1353.
63 Supra at note 5.
64 Supra at note 30.
65 Supra at note 13.
66 Supra at note 62.
67 Supra at note 8.
68 Supra at note 13.
69 Supra at note 26.
70 Supra at note 55.
71 Supra at note 8.
72 Supra at note 26.
73 Supra at note 32.
74 Supra at note 8.
75 Supra at note 55.
76 Supra at note 13.
77 Supra at note 32.

To be clear, the remedy of filing a separate appeal before the Commissioner of Customs is not only meant to afford the taxpayer-importer another opportunity to ventilate its causes and defenses in the abandonment proceedings (by setting forth new/specific arguments/grounds not raised in and arguments that were simply glossed over, overlooked and/or not treated at all in the appealed decision) but also to give the Commissioner of Customs the opportunity to review the facts of the case anew and examine the supporting documents directly filed to him, as opposed to merely reviewing the District Collector's Decision.

Accordingly, petitioner cannot skip recourse to such remedy of filing a separate appeal reasoning that it is a mere exercise in futility given that respondent Customs Commissioner Guerrero himself issued the assailed Consolidated Order[78] and time is of the essence given the impending auction of the subject rice shipments. Regrettably, in doing so, petitioner ran the risk of losing its statutory right to appeal with this Court because such judicial appeal would be considered premature.

We are not unaware of the ruling in *The Bureau of Customs, et al. v. Jade Bros. Farm and Livestock, Inc.*[79] (**Jade Bros.**), where the Supreme Court ruled that therein petitioner had every right to bypass the Commissioner of Customs and directly seek recourse with the Court of Tax Appeals (**CTA**) Division when the circumstances squarely fell within several exceptions to the doctrine of exhaustion of administrative remedies. While the facts in *Jade Bros.* is somewhat similar to the present case in the sense that both taxpayer-importers directly sought recourse with the CTA to enjoin the auction sale of the seized rice import shipments, a closer comparison of the details compels this Court to rule differently.

Unlike in *Jade Bros.*, where there was unreasonable delay or official inaction leading to prejudice (where the taxpayer-importer already requested the release of the shipments but the District Collector never directly acted on such matter up until the auction sale, that is, more than four (4) months of inaction), herein respondents did not commit any such inaction and petitioner still had further recourse

---

[78] Supra at note 8.
[79] G.R. No. 246343, 18 November 2021.

from receipt of respondent Customs Commissioner Guerrero's assailed Consolidated Order.[80] In directly seeking recourse with this Court, petitioner merely speculated that respondent Customs Commissioner Guerrero would rule adversely to it and failed to realize that a separate appeal before the latter is required to prevent respondent MICP District Collector Austria's Order dated 27 February 2019[81], as affirmed, from becoming final and executory.

We likewise cannot subscribe to petitioner's alternate theory that this Court still has jurisdiction over the present Petition for Review[82] as respondent Customs Commissioner Guerrero's assailed Consolidated Order[83] nonetheless falls under "other matters arising under the Customs Law or other laws administered by the Bureau of Customs" under Section 7(a)(4)[84] of RA No. 1125[85], as amended by RA No. 9282[86], because the said provision presupposes that petitioner validly contested the 'decision' subject of the abandonment proceedings in this case.

In the case of *Commissioner of Internal Revenue v. Court of Tax Appeals – Third Division and Citysuper, Incorporated*[87] (**Citysuper**), the Supreme Court had the occasion to rule that "[w]hen a taxpayer files a petition for review before the Court of Tax Appeals [(**CTA**)] without validly contesting the assessment with the Commissioner of Internal Revenue, the petition is premature and the [CTA] has no jurisdiction".

Applying *Citysuper* by analogy, since petitioner filed the present Petition for Review[88] before the CTA without first filing an appeal before respondent Customs Commissioner Guerrero as required under CMO No. 17-2019[89] (which, as aforesaid, was already in effect at the time petitioner received a copy of respondent Customs Commissioner Guerrero's assailed Consolidated Order[90]), petitioner's judicial appeal is premature and this Court has no jurisdiction to entertain the same.

---

80 Supra at note 8.
81 Supra at note 13.
82 Supra at note 32.
83 Supra at note 8.
84 Supra at note 20.
85 Supra at note 21.
86 Supra at note 22.
87 G.R. No. 239464, 10 May 2021.
88 Supra at note 32.
89 Supra at note 7.
90 Supra at note 8.

It bears emphasis that this Court, being a court of special jurisdiction, can take cognizance only of matters that are clearly within its jurisdiction.[91] Although appeal is an essential part of our judicial process, it has been held, time and again, that the right thereto is not a natural right or a part of due process but is merely a statutory privilege. **Thus, the perfection of an appeal in the manner and within the period prescribed by law is not only mandatory but also jurisdictional and failure of a party to conform to the rules regarding appeal will render the judgment final and executory.**[92]

It is an accepted tenet that rules of procedure must be faithfully followed except only when, for persuasive and compelling reasons, they may be relaxed to relieve a litigant of an injustice commensurate with his failure to comply with the prescribed procedure.[93] In this case, however, petitioner has not demonstrated any cogent reason for this Court to take exception.

Even assuming, for the sake of argument, that this Court has jurisdiction over the present case, it would still be denied for lack of merit.

NO PROOF OF PAYMENT OF CUSTOMS DUTIES AND TAXES FOR THE SUBJECT RICE IMPORT SHIPMENTS.

We agree with respondents that the charges or debits against petitioner's LandBank account in the amounts of ₱350,929,225.00 and ₱41,324,794.00 were not for payment of customs duties for the subject rice import shipments (to the effect that the customs duties for the subject rice import shipments would be deemed paid in advance) but instead merely earmarked for future payment of customs duties.

As testified to by respondents' witness, the Import/Export Document Specialist at the International Trade Department of LandBank's Head Office, Hanah Curina R. Rumbaoa (**Rumbaoa**), the

---

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

92 *Team Pacific Corporation v. Josephine Daza in her capacity as Municipal Treasurer of Taguig*, G.R. No. 167732, 11 July 2012.

93 *Ma. Rosario Suarez v. Judge Martin S. Villarama, Jr., et al.*, G.R. No. 124512, 27 June 2006.

LandBank Debit Advice dated 27 July 2018 and LandBank Debit Advice dated 09 January 2018 are inconclusive evidence to prove payment of customs duties for the subject rice import shipments as such merely show the deduction of certain amounts from petitioner's LandBank account, earmarked for payment of customs duties when assessment notices are issued. The said amounts are not immediately credited to respondent BOC's accounts, but only when payments are made, as evidenced by the "Payment Confirmation" transmitted by LandBank to the E2M Customs database pursuant to Section 4.2.4[94] of Customs Administrative Order (**CAO**) No. 10-2008.[95]

Indeed, petitioner failed to present during trial (and even at this point in the proceedings) the pertinent Payment Confirmations, which would prove payment of the customs duties, demurrage, and other related charges for the rice import shipments subject of the present case. There being no proof of such payments, respondents properly declared the subject rice import shipments of petitioner as deemed abandoned under Section 1129(c)[96] of the CMTA for non-payment of customs duties. Thus, petitioner's contention that the subject "abandonment proceedings" is intrinsically void as the customs duties and taxes have been paid in advance has no leg to stand on.

RESPONDENTS ARE NOT OBLIGATED TO TURN OVER THE PROCEEDS OF THE AUCTION SALE TO PETITIONER.

Having established that petitioner failed to prove payment of the customs duties, demurrage, and other related charges for the subject

---

[94] **4.2 Final Payment**

...

4.2.4 Transmittal of Payment Confirmation. In all cases of payment instructions received, the AABs should complete the collection and thereafter transmit a **payment confirmation** to the electronic gateway payment **unless there is no sufficient balance in the debit account**. (Emphasis supplied)

[95] Payment Application Secure System Version 5.0 (PASS5).

[96] **SEC. 1129.** *Abandonment, Kinds and Effects of.* — Imported goods are deemed abandoned under any of the following circumstances:

...

(c) **Having filed such goods declaration, the owner, importer, consignee or interested party after due notice, fails to pay the assessed duties, taxes and other charges thereon**, or, if the regulated goods failed to comply with Section 117 of this Act, **within fifteen (15) days from the date of final assessment**: *Provided*, That if such regulated goods are subject of an alert order and the assessed duties, taxes and other charges thereof are not paid within fifteen (15) days from notification by the Bureau of the resolution of the alert order, **the same shall also be deemed abandoned**[.] (Emphasis supplied) rice import shipments, We are constrained to rule that the proceeds of the auction sale must first be applied to the unpaid customs duties, demurrage, and other related charges.

In fine, petitioner failed to present sufficient basis to modify much more, reverse the assailed Decision.[97]

WHEREFORE, with the foregoing, petitioner's "Motion for Reconsideration (Re: Decision dated 28 June 2022)", filed on 27 July 2022, is **DENIED** for lack of merit.

SO ORDERED.

JEAN MARIE A. BACORRO-VILLENA
Associate Justice

I CONCUR:

LANEE S. CUI-DAVID
Associate Justice

---

[97] Supra at note 3.