REPUBLIC OF THE PHILIPPINES
Court of Tax Appeals
QUEZON CITY

SPECIAL SECOND DIVISION

KEYS REALTY AND DEVELOPMENT CORPORATION,
Petitioner,

vs.

THE COMMISSIONER OF INTERNAL REVENUE and the BIR REGIONAL DIRECTOR FOR REVENUE REGION 6 (MANILA),
Respondents.

CTA CASE NO. 10589

Present:

RINGPIS-LIBAN, *P.J., Chairperson,*
MODESTO-SAN PEDRO, and
FERRER-FLORES, *JJ.*

Promulgated:

4:16 p.m.

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RESOLUTION

FERRER-FLORES, J.:

For resolution of this Court are the following:

1. petitioner's **Motion to Lift Warrant of Garnishment [In view of full payment of assessment ad cautelam/without prejudice]** ***(Motion to Lift Warrant of Garnishment)*** filed on November 19, 2025, without respondents' comment as per Records Verification dated February 19, 2026; and,

2. petitioner's **Respectful Motion to Supplement Motion for Reconsideration with Incorporated Supplement** *(Motion to Supplement)* filed on January 26, 2026.

At the outset, in the Decision promulgated on July 7, 2025,[1] the Court dismissed petitioner's *Amended Petition for Review* for lack of jurisdiction.

[1] Docket – Vol. 4, pp. 1730 to 1747.

Subsequently, the Court received petitioner's *Motion for Reconsideration* on August 12, 2025.[2] Respondents filed their *Comment/Opposition (re: Motion for Reconsideration dated August 11, 2025)* on October 28, 2025.[3]

Meanwhile, on August 29, 2025, petitioner filed *Respectful Manifestation*,[4] stating its intention to update tax payment on the subject assessment to allegedly avoid or avert further accumulation of delinquency interest. Then, on October 6, 2025, petitioner filed another *Respectful Manifestation*,[5] stating that, pursuant to its earlier manifestation, it has paid the interest on the subject assessment.

Afterwards, a *Motion to Lift Warrant of Garnishment [In view of full payment of assessment ad cautelam/without prejudice]* was filed by petitioner on November 19, 2025.[6] Respondents did not file any comment thereon.[7]

In the Resolution dated January 19, 2026,[8] petitioner's *Respectful Manifestations* filed on August 29, 2025 and October 6, 2025 were noted, while its *Motion for Reconsideration* was denied for lack of merit.

On January 26, 2026, petitioner filed *Respectful Motion to Supplement Motion for Reconsideration with Incorporated Supplement.*[9]

In the meantime, petitioner filed its *Petition for Review,* in relation to this case, before the Court *En Banc* on February 16, 2026.[10]

Motion to Lift Warrant of Garnishment [In view of full payment of assessment ad cautelam/without prejudice]

In praying for the lifting and cancellation of the outstanding warrants of garnishments issued by respondents against petitioner's bank accounts with Philippine National Bank (PNB) and Metropolitan Bank & Trust Company (Metrobank), petitioner contends that it manifested earlier the full payment of the outstanding assessment with accrued interest as of

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2 Docket – Vol. 4, pp. 1749 to 1761.
3 Docket – Vol. 4, pp. 1783 to 1789.
4 Docket – Vol. 4, pp. 1765 to 1769.
5 Docket – Vol. 4, pp. 1772 to 1775.
6 Docket – Vol. 4, pp. 1791 to 1795.
7 Records Verification dated February 19, 2026, Docket – Vol. 4, p. 2019.
8 Docket – Vol. 4, pp. 1803 to 1807.
9 Docket – Vol. 4, pp. 1809 to 1814.
10 Docket – Vol. 4, pp. 1820 to 1859.

September 30, 2025 by paying an additional amount of ₱1,685,112.18 *ad cautelam* or without prejudice to the final outcome of the case.

According to petitioner, the said voluntary payment was a self-help measure *ex abundante cautelam* to cut its damages by paying the assessment with increments in full as at September 30, 2025 thereby preventing any further increment should the assessment be ultimately upheld despite pursuing legal remedies to have the same cancelled or nullified for violation of its right to due process. This payment is allegedly an act of prudence and not an admission of the validity of the assessment or the correctness thereof or the right of the Commissioner of Internal Revenue (CIR) to collect thereon.

As such, petitioner has attached to the present *Motion* a copy of the BIR Payment Form No. 0605 for the amount of ₱1,658,112.18 as Annex "A", a copy of the related eFPS Payment Details as Annex "B", and a copy of the PNB Certification of successful electronic payment to the BIR on September 30, 2025 as Annex "C".

Petitioner stresses that the foregoing payment was in addition to the ₱2,888,438.68 previously collected by the Bureau of Internal Revenue (BIR) at the start of the case, through a writ of garnishment on its bank deposit with Banco de Oro Universal Bank (BDO); that such successful collection by the BIR was the subject of the parties' joint pre-trial stipulation of facts and issues which was admitted and approved by the Court in its Resolution dated December 20, 2022; and, that both the Pre-Trial Order dated January 18, 2025 and the findings of fact in the Court's Decision likewise mentioned the successful collection by garnishment of the BIR against petitioner's bank deposit with BDO.

Considering the full payment of the assessment, petitioner claims that it requested the BIR to lift the remaining warrants on its various bank accounts with PNB and Metrobank through a letter-request attached in the motion as Annex "D"; however, the same allegedly remains unanswered and the warrants are still in force and effect.

As such, petitioner puts forth the view that the warrants no longer served any valid purpose because, if petitioner ultimately prevailed and the assessment was nullified or cancelled, then the warrants would be recalled for being issued without legal justification; conversely, if the CIR ultimately prevailed, the full amount of the assessment with accrued interest thereon has already been paid on September 30, 2025.

With that, petitioner pleads that justice requires that any outstanding warrants issued by the BIR against its bank accounts be lifted or recalled since there is no more legal need for the same.

The Court finds petitioner's *Motion to Lift Warrant of Garnishment* without merit.

Settled is the rule that jurisdiction over the subject matter is fundamental for a court to act on a given controversy. It is conferred by law, not by consent of the parties.[11] To inquire into the existence of jurisdiction over the subject matter is the primary concern of a court, for thereon would depend the validity of its entire proceedings.[12]

In *AT&T Communications Services Phils., Inc. vs. Commissioner of Internal Revenue*,[13] the Supreme Court held as follows:

> At this juncture, it bears emphasis that jurisdiction over the subject matter or nature of an action is fundamental for a court to act on a given controversy, and is conferred only by law and not by the consent or waiver upon a court, which, otherwise, would have no jurisdiction over the subject matter or nature of an action. Lack of jurisdiction of the court over an action or the subject matter of an action cannot be cured by the silence, acquiescence, or even by express consent of the parties. If the court has no jurisdiction over the nature of an action, its only jurisdiction is to dismiss the case. The court could not decide the case on the merits.

Relative thereto, it is significant to point out that this Court, being a court of special jurisdiction, can only take cognizance of matters that are clearly within its jurisdiction.[14]

In view of the Decision dated July 7, 2025 which dismissed petitioner's *Amended Petition for Review* for lack of jurisdiction and the Resolution dated January 19, 2026 which denied petitioner's *Motion for Reconsideration* for lack of merit, the Court at this point is divested of authority to proceed any further, much less examine the merits of petitioner's claims considering that jurisdiction has not been satisfied in this case.

Evidently, the Court is deprived of jurisdiction to act upon the present *Motion to Lift Warrant of Garnishment*. Thus, there is no compelling reason

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[11] *Commissioner of Internal Revenue vs. Leonardo S. Villa and The Court of Tax Appeals*, G.R. No. 23988, January 2, 1968.

[12] *Commissioner of Internal Revenue vs. Silicon Philippines, Inc. (Formerly Intel Philippines Manufacturing, Inc.)*, G.R. No. 169778, March 12, 2014.

[13] G.R. No. 185969, November 19, 2014.

[14] *Commissioner of Internal Revenue vs. V.Y. Domingo Jewellers, Inc.*, G.R. No. 221780, March 25, 2019.

to discuss all other issues assailed by petitioner as there is nothing to invalidate that is within the jurisdiction of this Court.

Respectful Motion to Supplement Motion for Reconsideration with Incorporated Supplement

In the *Motion to Supplement*, petitioner avers that its *Motion for Reconsideration* of the Decision dated July 7, 2025 is still pending with the Court. As such, petitioner intends to supplement it with a Supreme Court ruling in the case of *Chico vs. Ciudadano*[15] on the nature and effect of a void judgment such that (1) a decision that is null and void for want of jurisdiction on the part of the trial court is not a decision in contemplation of law and; hence, it can never become final and executory; and, (2) a void title and judgment are subject to collateral attack, a complete nullity and is without legal effect, need not be recognized by anyone but may be entirely disregarded or declared inoperative by any tribunal, hasno legal or binding force or efficacy for any purpose or at any place, and all proceedings founded on the void judgment are themselves regarded as invalid and ineffective for any purpose.

Petitioner believes that, a void assessment, one that was issued in violation of the right of the taxpayer to due process and/or rendered without jurisdiction, cannot produce any fruit and cannot attain finality.

According to petitioner, the absolute nullity of the subject assessment and the Warrant of Distraint and/or Levy (WDL) issued pursuant thereto are based on the following grounds: (a) lack of Letter of Authority (LOA) to authorize the audit and examination of its books of account as the original revenue officer (RO) was reassigned and the new RO who recommended the issuance of the assessment was not issued a new LOA; (b) prescription of the right to assess because the waivers were void; and, (c) utter failure of the BIR to prove service of the Preliminary Assessment Notice (PAN). Allegedly, any of these grounds would result in the nullity of the assessment as well as the resulting WDL issued to enforce it.

Invoking the cases of *Commissioner of Internal Revenue vs. McDonald's Philippines Realty Corporation*[16] and *AFP General Assurance Corporation vs. Commissioner of Internal Revenue,*[17] petitioner argues that the reassignment of a new RO to continue and complete the audit, as in this case, must be accompanied by a new LOA because the practice of reassigning or transferring ROs who were originally named in the LOA and

[15] G.R. No. 249815, July 4, 2022.
[16] G.R. No. 242670, May 10, 2021.
[17] G.R. No. 222133, November 4, 2020.

their subsequent substitution with new ROs who did not have a separate LOA was in effect an usurpation of the power of the CIR or his duly authorized representative.

Petitioner also points out that the BIR's failure to serve the PAN on the taxpayer prior to the issuance of Final Assessment Notice and Final Letter of Demand violated its right to due process based on jurisprudence, constituting another jurisdictional defect.

Petitioner then cites *Commissioner of Internal Revenue vs. T-Shuttle Services, Inc.*[18] and contends that the argument of the CIR that the deficiency tax assessments have already become final, executory and demandable should be premised on the validity of the assessment themselves. Hence, petitioner concludes that a void assessment bears no fruit and must be slain at sight.

Notably, inasmuch as the Court has already resolved petitioner's *Motion for Reconsideration*, which petitioner intends to supplement through this present *Motion*, the Court finds that the *Motion to Supplement* has become moot.

To be sure, the Court already addressed petitioner's arguments in the Decision, dated July 7, 2025, and Resolution, dated January 19, 2026, wherein the case was dismissed for lack of jurisdiction due to petitioner's failure to perfect its appeal.

As a final note, it is important to emphasize that perfection of an appeal in the manner and within the period prescribed by law is not only mandatory but jurisdictional. This means that the failure to interpose a timely appeal deprives the appellate body of any jurisdiction to alter the final judgment, more so to entertain the appeal.[19] To stress, jurisdiction not having been satisfied in this case, the only route to take is to deny the present *Motions*.

ACCORDINGLY, petitioner's **Motion to Lift Warrant of Garnishment [In view of full payment of assessment *ad cautelam*/without prejudice]** is **DENIED** for lack of merit.

Further, petitioner's **Respectful Motion to Supplement Motion for Reconsideration with Incorporated Supplement** is deemed **MOOT** and **ACADEMIC.**

[18] G.R. No. 240729, August 24, 2020.
[19] *Bureau of Internal Revenue vs. TICO Insurance Company, Inc., et al.*, G.R. No. 204226, April 18, 2022.

SO ORDERED.

CORAZON G. FERRER-FLORES
Associate Justice

WE CONCUR:

MA. BELEN M. RINGPIS-LIBAN
Presiding Justice

MARIA ROWENA MODESTO-SAN PEDRO
Associate Justice