REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

SPECIAL SECOND DIVISION

PHILIPPINES AIRASIA, INC.,
Petitioner,

- versus -

COMMISSIONER OF CUSTOMS,
Respondent.

CTA CASE NO. 10144

Members:

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

Promulgated:

4:25 pm

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RESOLUTION

RINGPIS-LIBAN, P.J.:

Before the Court is petitioner's *Motion for Reconsideration (Re: Decision dated 20 January 2026)*, which was filed via accredited courier on February 10, 2026 and was received by the Court on February 12, 2026, with respondent's *Comment/Opposition* posted on February 20, 2026.

On January 20, 2026, the Court promulgated a *Decision* dismissing the *Petition for Review* due to the Court's lack of jurisdiction to entertain review by appeal the *inaction* of respondent, the dispositive portion of which reads as follows:

> "**ACCORDINGLY,** premises considered, the present *Petition for Review* is **DISMISSED** on jurisdictional grounds.
>
> **SO ORDERED.**"

In its motion, petitioner asserts that respondent's failure to decide the administrative protest it filed within the period allotted is deemed as a denial thereof and is appealable with this Court within thirty (30) days from the lapse of the period. Citing Section 1110[1] of Republic Act (RA) No. 10863, otherwise

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[1] "**SEC. 1110.** *Decision in Protest.* — When a protest is filed in proper form, the Commissioner shall render a decision within thirty (30) days from receipt of the protest. In case the protest

known as the *Customs Modernization and Tariff Act* (CMTA), petitioner insists that respondent is mandated to render a decision within 30 days from receipt of the administrative protest. It continues that Section 10.3 of Customs Administrative Order (CAO) No. 2-2020,[2] which implements Section 1110 of the CMTA, further provides that respondent's inaction on the administrative protest is deemed an affirmation of the adverse ruling being challenged.[3] Petitioner cites the Court of Tax Appeals (CTA) case of *Goldmine Rice Marketing represented by its Proprietor Mr. Rolando C. Manuntag v. Hon. District Collector of Customs et al., CTA En Banc Case No. 2617, August 14, 2023*, where it illustrates the legal effect of *inaction* and affirms that the law does *not* allow administrative silence to prejudice a party's right to seek judicial relief. As such, petitioner submits that by explicitly defining when respondent should render his decision, the courts protect the procedural rights of those filing their protests and prevent administrative delay from frustrating access to judicial review.

Petitioner further argues that respondent's inaction and repeated coercive demands violated petitioner's rights and compelled recourse to judicial appeal, notwithstanding, the fact that petitioner is entitled to tax and duty-free importations in accordance to its congressional franchise pursuant to RA No. 9183.[4] Lastly, petitioner maintains that the Court has judicial power to relax procedural rules in the interest of substantial justice.

On the other hand, in his *Comment / Opposition*, respondent agrees that the Court correctly dismissed the present case for lack of jurisdiction since Section 7(a)(4)[5] of RA No. 1125,[6] as amended by RA No. 9282,[7] clearly speaks of

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is sustained, in whole or in part, the appropriate order shall be made, and the entry reassessed, if necessary."

[2] "SUBJECT: DISPUTE SETTLEMENT AND PROTEST", approved on January 14, 2020.

[3] "**Section 10**. Protest. – xxx.

10.3. When a protest is filed in proper form, the Commissioner shall render a ruling within thirty (30) days from receipt of the protest. Otherwise, the ruling of the Collector shall be deemed affirmed if the Commissioner fails to act on the same."

[4] "AN ACT GRANTING THE ASIAN SPIRIT, INC. A FRANCHISE TO ESTABLISH, OPERATE AND MAINTAIN DOMESTIC AND INTERNATIONAL AIR TRANSPORT SERVICES", which took effect on January 9, 2003.

[5] "*SEC. 7. Jurisdiction.* - The CTA shall exercise:

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

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(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; xxx" (Emphasis supplied)

[6] "AN ACT CREATING THE COURT OF TAX APPEALS", approved on June 16, 1954.

[7] "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

decisions of the Commissioner of Customs (COC). Respondent expounds that the law did not grant the CTA exclusive appellate jurisdiction to review by appeal cases involving the "inaction" of the COC, and since CTA is a court of special jurisdiction and can take cognizance only of matters that are clearly within its jurisdiction, petitioner's invitation to accept its *Petition for Review* is contrary to the dictates of law.

Respondent likewise refutes petitioner's contention that Section 1110 of the CMTA supports its claim, considering that nowhere in the text of Section 1110 of the CMTA does it state that failure to render a decision within thirty (30) days from receipt of the administrative protest would *ipso facto* be deemed a denial thereof. More so, respondent asserts that petitioner's reliance on CAO No. 2-2020 is misplaced because CAO No. 2-2020 was issued after the COC rendered his decision on August 20, 2019. Similarly, respondent reiterates that petitioner's reliance on the case of *Nestle Philippines, Inc. (Formerly Filipro, Inc.) v. Honorable Court of Appeals, et al.* (*Nestle Philippines* case),[8] is likewise misplaced since he did not take an unreasonable time to decide the administrative protest. Respondent explains that the decision came just a little over two (2) months after the filing of the said protest and just a little over a month after the filing of the present *Petition for Review*.

Furthermore, respondent maintains that the issuance of demand letters to petitioner is a valid and legitimate action in accordance with the power of enforcement of the COC under the CMTA and the provisions of the Civil Code. And, that the posting and liquidation of bonds and penalty for violations were condition for the release of petitioner's importations and stipulations of the contracts voluntarily entered into and assumed by petitioner.

Lastly, respondent points out that petitioner's invocation of relaxation of procedural rules is misplaced. Respondent submits that, equity, which has been aptly described as justice outside legality, is only applied in the absence of, and never against, statutory law or judicial rules of procedure.

After due consideration, the Court finds petitioner's Motion for Reconsideration bereft of merit.

At the outset, and as correctly pointed out by respondent, CAO No. 2-2020 was published on March 5, 2020, and took effect on April 4, 2020. Petitioner filed its administrative protest on May 29, 2019, and respondent rendered a decision on August 20, 2019. Clearly, CAO No. 2-2020 was not yet in effect at the time of the present controversy. Nonetheless, even if CAO No.

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", approved on March 30, 2004.

[8] G.R. No. 134114, July 6, 2001.

2-2020 were applicable herein, the same still cannot confer jurisdiction upon this Court.

Verily, jurisdiction is defined as the power and authority of a court to hear, try, and decide a case. In order for the court or an adjudicative body to have authority to dispose of the case on the merits, it must acquire, among others, jurisdiction over the subject matter. It is axiomatic that jurisdiction over the subject matter is the power to hear and determine the general class to which the proceedings in question belong; it is conferred by law and not by the consent or acquiescence of any or all of the parties or by erroneous belief of the court that it exists. Thus, when a court has no jurisdiction over the subject matter, the only power it has is to dismiss the action.[9]

While it is true that courts have the prerogative to relax procedural rules of even the most mandatory character and that the Supreme Court has in many cases allowed liberal construction of the rules when to do so would serve the demands of substantial justice and equity,[10] this Court however finds no compelling reason to do the same in this case. As emphasized in the case of *Juanito Magsino v. Elena De Ocampo, et al.,*[11] liberal application may only be warranted as an exception and technical rules may be relaxed only for the furtherance of justice to benefit the deserving, to wit:

> "The petitioner is further reminded **that any 'resort to a liberal application or suspension of the application of procedural rules, must remain as the exception to the well-settled principle that rules must be complied with for the orderly administration of justice.'** It cannot be otherwise for him, for, as the Court aptly put it in *Republic v. Kenrick Development Corporation:*
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> > Procedural requirements which have often been disparagingly labeled as mere technicalities have their own valid *d' etre* in the orderly administration of justice. To summarily brush them aside may result in arbitrariness and injustice.
> >
> > The Court's pronouncement in *Garbo v. Court of Appeals* is relevant:
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> > > Procedural rules are tools designed to facilitate the adjudication of cases. Courts and litigants alike are thus enjoined to abide strictly by the rules. And while the Court, in some instances, allows a relaxation in the application of the rules, this, we stress, was never intended to forge a bastion for erring litigants to violate the rules with impunity. The liberality in the interpretation and application of the rules applies only in proper cases and under justifiable causes and

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[9] *Mitsubishi Motors Phils. Corp. v. Bureau of Customs,* G.R. No. 209830, June 17, 2015.

[10] See *Helen L. Say, et al. v. Gabriel Dizon,* G.R. No. 227457, June 22, 2020.

[11] G.R. No. 166944, August 18, 2014.

> circumstances. While it is true that litigation is not a game of technicalities, it is equally true that every case must be prosecuted in accordance with the prescribed procedure to insure an orderly and speedy administration of justice.
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> **Like all rules, procedural rules should be followed except only when, for the most persuasive of reasons, they may be relaxed to relieve a litigant of an injustice not commensurate with the degree of his thoughtlessness in not complying with the prescribed procedure.**" (*Emphasis added*)

In this case, petitioner cited case law when this Court has relaxed procedural rules. However, it must be noted that there were underlying considerations in those cases which warranted a disregard of procedural technicalities to favor substantial justice. Here, there exists no such consideration. While respondent failed to issue a decision within 30 days, there is no showing that such delay is unreasonable, or that it will irretrievably prejudice the complainant.

In view of the foregoing, there being no new matter or substantial issue raised by petitioner in its motion, the Court finds no compelling reason to reverse or modify the conclusions reached in the *Decision* promulgated on January 20, 2026.

ACCORDINGLY, premises considered, petitioner's *Motion for Reconsideration (Re: Decision dated 20 January 2026)* is **DENIED** for lack of merit.

SO ORDERED.

MA. BELEN M. RINGPIS-LIBAN
Presiding Justice

WE CONCUR:

MARIA ROWENA MODESTO-SAN PEDRO
Associate Justice

CORAZON G. FERRER-FLORES
Associate Justice