24-000582-0024

REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

FIRST DIVISION

CTA CRIM. CASE NO. O-1222

PEOPLE OF THE PHILIPPINES,
Plaintiff,

- versus -

RODALYN EMPREDO RETANA and MARIA JESSILYN PARAGOSO DONGON,
Accused.

NOTICE OF RESOLUTION

To:

PROSECUTOR GENERAL RICHARD ANTHONY D. FADULLON
PROSECUTION ATTORNEY VICTOR G. DALANAO, JR.
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MARIA JESSILYN PARAGOSO DONGON
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RODALYN EMPREDO RETANA
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MS. JUDITH V. LAROCO
Chief Judicial Staff Officer - Cash Division
Court of Tax Appeals
Ground Floor, CTA Building I
Sen. Miriam P. Defensor-Santiago Avenue
Diliman, Quezon City

ATTY. PERPETUA SOCORRO O. ENRIQUEZ-BELARMINO
Clerk of Court VII
Regional Trial Court of Cebu
7th Judicial Region
Cebu City

GREETINGS:

You are hereby notified by these presents that on **August 28, 2025,** a Resolution was rendered in the above-entitled case, copy of which is attached hereto.

Quezon City, Philippines, **September 2, 2025.**

Atty. Margarette Y. Guzman
Executive Clerk of Court III

REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
Quezon City

FIRST DIVISION

PEOPLE OF THE PHILIPPINES,
Plaintiff,

- versus -

RODALYN EMPREDO RETANA (Barangay Palhi, Baybay City, Leyte) and **MARIA JESSILYN PARAGOSO DONGON**, (Kentredder Square Annex Building, A.C. Cortes Avenue, Ibabao-Estancia, Mandaue City, Cebu),
Accused.

CTA Crim. Case No. **O-1222**

For: Violation of Section 1401(e) of Republic Act No. 10863 (Customs Modernization and Tariff Act)

Members:

DEL ROSARIO, *P.J., Chairperson*,
BACORRO-VILLENA, *and*
CUI-DAVID, *JJ.*

Promulgated:
AUG 2 8 2025; 9:35 AM

x - x

RESOLUTION

For the Court's resolution are the following:

1. Accused Rodalyn Empredo Retana and Maria Jessilyn Paragoso Dongon's (**accused**'s) "Formal Entry of Appearance with Motion to Dismiss (With Prayer to Suspend Scheduled Preliminary Conference, Pre-Trial Conference and Arraignment)"[1] (**Motion to Dismiss**) filed on 28 January 2025 and emailed on 29 January 2025, without plaintiff's comment, *per* Records Verification dated 24 February 2025[2]; and

2. Plaintiff's "Motion to Withdraw Information"[3] (**Motion to Withdraw**) filed on 25 February 2025 and emailed on 28 March 2025, without accused's comment, *per* Records Verification dated 27 May 2025.[4]

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1 Division Docket, pp. 262-271.
2 Id., p. 401.
3 Id., pp. 405-409.
4 Id., p. 418.

In the Motion to Dismiss, accused asked the Court to dismiss the instant case on the ground of lack of jurisdiction. Accused assert that the prosecution's utter failure to expressly aver in the Information that the alleged aggregate amount of ₱1,704,776.02 is exclusive of charges and penalties ousted this Court of jurisdiction. They emphasized that under Section 7(b)(1)[5] of Republic Act (**RA**) No. 1125[6], as amended by RA No. 9282[7], the Court only acquires original jurisdiction if the principal amount of taxes and fees, *excluding charges and penalties*, is at least ₱1 million. They contend that the term "taxes" under both RA No. 10863[8] or the Customs Modernization and Tariff Act of 2016 (**CMTA**) and Presidential Decree (**PD**) No. 1464[9] or the Tariff and Customs Code of the Philippines (**TCCP**) includes fees and charges, rendering the amount in the Information legally insufficient to vest jurisdiction in this Court. Thus, they argue that requiring them to proceed with trial before a court lacking jurisdiction is legally and constitutionally impermissible.

Moreover, plaintiff, in its Motion to Withdraw, sought leave to withdraw the Information previously filed before this Court after the Bureau of Customs' (**BOC**'s) Imports and Assessment Service (**IAS**) issued a revised computation on 25 March 2024, showing that the total customs duties and taxes amounted only to ₱425,011.00—an amount clearly below the jurisdictional threshold of this Court. Plaintiff acknowledges that the original filing was based on an earlier, higher estimate of ₱1,704,776.02, and now concedes that the case no longer falls within the original jurisdiction of this Court.

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

...

b. Jurisdiction over cases involving criminal offenses as herein provided:

1. Exclusive original jurisdiction over all criminal offenses arising from violations of the National Internal Revenue Code or Tariff and Customs Code and other laws administered by the Bureau of Internal Revenue or the Bureau of Customs: Provided, however, That offenses or felonies mentioned in this paragraph where the principal amount of taxes and fees, exclusive of charges and penalties, claimed is less than One million pesos (P1,000,000.00) or where there is no specified amount claimed shall be tried by the regular Courts and the jurisdiction of the CTA shall be appellate. Any provision of law or the Rules of Court to the contrary notwithstanding, the criminal action and the corresponding civil action for the recovery of civil liability for taxes and penalties shall at all times be simultaneously instituted with, and jointly determined in the same proceeding by the CTA, the filing of the criminal action being deemed to necessarily carry with it the filing of the civil action, and no right to reserve the filling of such civil action separately from the criminal action will be recognized.

[6] AN ACT CREATING THE COURT OF TAX APPEALS.

[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 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.

[8] AN ACT MODERNIZING THE CUSTOMS AND TARIFF ADMINISTRATION.

[9] A DECREE TO CONSOLIDATE AND CODIFY ALL THE TARIFF AND CUSTOMS LAWS OF THE PHILIPPINES.

We resolve.

At the outset, it is incumbent upon the Court to resolve the Motion to Withdraw, as its determination necessarily precedes the consideration of accused's Motion to Dismiss.

There is no question that once an information is filed in court any disposition of the case such as its dismissal or its continuation rests on the sound discretion of the court. The Court remains the best and sole judge on what to do with the case before it notwithstanding the power of prosecutor to retain the direction and control of the prosecution of criminal cases.[10]

Jurisprudence is clear that courts are not bound to adopt the position of the prosecution but must make an independent assessment of the merits of the motion.[11]

Indeed, this Court in its Resolution dated 13 December 2024[12] found existence of probable cause for the issuance of warrant of arrest against the herein accused. However, *per* Memorandum dated 18 March 2024[13] issued by BOC's IAS, the amount of duties and taxes is only ₱425,011.00.

It bears stressing that this Court's exclusive original jurisdiction over criminal offenses arises only where the principal amount of taxes and fees, exclusive of charges and penalties, claimed is **₱1 million or more**, as clearly articulated in *People of the Philippines v. Joel C. Mendez*[14]:

> . . .
>
> Before Republic Act (RA) No. 9282, the CTA, a court of special jurisdiction, only exercised appellate jurisdiction over tax cases. The tax court had no jurisdiction to hear and decide criminal cases for tax law violations. Criminal prosecution for such offenses was then within the cognizance of the regular courts. But on **April 23, 2004**, RA No. 9282 conferred original and appellate jurisdiction over criminal cases to the CTA Division as follows:

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[10] *Jannece C. Peñalosa v. Jose A. Ocampo, Jr.*, G.R. No. 230299, 26 April 2023.

[11] Id.

[12] Division Docket, pp. 194-199.

[13] Exhibit "P-18", id., pp. 362-363.

[14] G.R. Nos. 208310-11 and 208662, 28 March 2023; Citations omitted and emphasis in the original text.

> SEC. 7. Jurisdiction. — The CTA shall exercise:
>
> . . .
>
> b. **Jurisdiction over cases involving criminal offenses** as herein provided:
>
> 1. **Exclusive original jurisdiction over all criminal offenses** arising from violations of the National Internal Revenue Code or Tariff and Customs Code and other laws administered by the Bureau of Internal Revenue or the Bureau of Customs: Provided, however, That offenses or felonies mentioned in this paragraph where the **principal amount of taxes and fees, exclusive of charges and penalties, claimed is less than One million pesos ([P]1,000,000.00) or where there is no specified amount claimed shall be tried by the regular Courts and the jurisdiction of the CTA shall be appellate. Any provision of law or the Rules of Court to the contrary notwithstanding, the criminal action and the corresponding civil action for the recovery of civil liability for taxes and penalties shall at all times be simultaneously instituted with, and jointly determined in the same proceeding by the CTA, the filing of the criminal action being deemed to necessarily carry with it the filing of the civil action, and no right to reserve the filing of such civil action separately from the criminal action will be recognized.**
>
> 2. Exclusive **appellate jurisdiction in criminal offenses**:
>
> a. Over appeals from the judgments, resolutions or orders of the Regional Trial Courts in tax cases originally decided by them, in their [respective] territorial jurisdiction.
>
> b. Over petitions for review of the judgments, resolutions or orders of the Regional Trial Courts in the exercise of their appellate jurisdiction over tax cases originally decided by the Metropolitan Trial Courts, Municipal Trial Courts and Municipal Circuit Trial Courts in their respective jurisdiction.

A reading of the foregoing provision shows that criminal offenses arising from violations of tax laws may involve an underlying tax claim or none at all. Notably, when a tax claim is involved, the law requires that "the criminal action and the corresponding civil action for the recovery of civil liability for taxes and penalties shall **at all times be simultaneously instituted with, and jointly determined in the same proceeding[s] by the** CTA, the filing of the criminal action being deemed to necessarily carry with it the filing of the civil action, and no right to reserve the filing of such civil action separately from the criminal action will be recognized."

> Thus, for criminal offenses **with an attendant claim amounting to P1,000,000.00 or more**, exclusive original jurisdiction is vested with the CTA Division. Whereas, when the tax claim is **below P1,000,000.00 or there is no specified amount or no attendant claim**, as when the offense is only punishable by a fine and/or imprisonment, original jurisdiction is vested with the regular courts.
>
> . . .

The Court further notes that since the IAS is the operational arm of the BOC that is tasked with the responsibility of establishing, maintaining and implementing the Enhanced Value Reference Information System (**e-VRIS**), *i.e.*, a centralized database of reference values and classification of imported goods which serves as basis for determining the transaction value, or the price actually paid or payable, in assessing the dutiable value of such goods[15], it is reasonable to accord due weight and consideration to the valuation conducted by the IAS, absent any showing of grave abuse of discretion or manifest error in its findings.

As the IAS' reassessed amount of duties and taxes is *only* ₱425,011.00[16], *i.e.*, less than ₱1 million—falling below the jurisdictional threshold set for this Court—this Court is left with no recourse but to dismiss the case for lack of jurisdiction.

Furthermore, it is manifest that, with the grant of the Motion to Withdraw, the Motion to Dismiss filed by accused Rodalyn Empredo Retana and Maria Jessilyn Paragoso Dongon has been rendered moot and academic.

WHEREFORE, premises considered, the Court **RESOLVES** to:

1. **GRANT** plaintiff People of the Philippines' "Motion to Withdraw Information" filed on 25 February 2025. Accordingly, the Information charging accused Rodalyn Empredo Retana and Maria Jessilyn Paragoso Dongon for violation of Section 1401(e) of Republic Act No. 10863 (Customs Modernization and Tariff Act) is deemed **WITHDRAWN**; and

2. **NOTE WITHOUT ACTION** accused's Motion to Dismiss (With Prayer to Suspend Scheduled Preliminary Conference, Pre-Trial Conference and Arraignment) filed on 28 January

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15 See Customs Memorandum Order (CMO) No. 16-2020, 06 July 2020.

16 Supra at note 13.

2025, the same having been rendered **MOOT** and **ACADEMIC** by the grant of plaintiff's Motion to Withdraw Information.

Consequently, the cash bail bond in the amount of ₱72,000.00 for each accused is hereby **CANCELLED** and ordered **RELEASED** pursuant to Section 22, Rule 114 of the Revised Rules of Criminal Procedure upon accused Rodalyn Empredo Retana and Maria Jessilyn Paragoso Dongon's presentation of proper documents, in accordance with usual accounting rules and regulations.

SO ORDERED.

ROMAN G. DEL ROSARIO
Presiding Justice

JEAN MARIE A. BACORRO-VILLENA
Associate Justice

LANEE S. CUI-DAVID
Associate Justice