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MANILA ELECTRIC COMPANY,
Petitioner,

- versus - C.T.A. CASE NO. 2782

ALFREDO PIO DE RODA, JR.,
in his capacity as Acting
Commissioner of Customs,
Respondent.

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11/29/78

D E C I S I O N

From the decision of respondent Commissioner of Customs denying the claim for refund, or tax credit, of petitioner Manila Electric Company of the amount of ₱2,192,033.00 representing alleged overpaid customs duty on the latter's shipment of 310,440 net barrels of Cyrus Crude Oil which arrived on August 25, 1974 at the Port of Batangas on board tanker G/T "Attica" under Entry No. 413/74, this appeal is taken.

When this case was called for hearing on March 15, 1977, petitioner proposed in open court that the parties enter into a stipulation of facts, but respondent objected to the proposal "on the ground that the point at issue is a legal question." (Minutes of the session, March 15, 1977, p. 24, CTA records.) After petitioner has marked and presented its exhibits, which were all admitted by the Court, and rested its case, respondent submitted his case on the basis of the pleadings and the Customs records without offering proof as to the truth of his own allegations.

Under the well-settled rule that one who prays for judgment on the pleadings without offering proof as to the truth of his own allegations, must be understood to have admitted the truth of all the material and relevant allegations of the opposing party, and to rest his motion for judgment on these allegations taken together with such of his own as are admitted (Bauermann vs. Casas, 10 Phil. 386; Evangelista vs. De la Rosa, et al., 76 Phil. 115), the following allegations of fact of petitioner in its petition for review may therefor be considered beyond dispute:

> 1. Petitioner is a domestic corporation organized and existing under the laws of the Philippines, with offices at the Lopez Building, Ortigas Avenue, Pasig, Rizal; respondent is the duly appointed and acting Commissioner of Customs and may be served with summons at his office, Bureau of Customs, Manila;
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> 2. Petitioner is a franchise grantee pursuant to Act No. 484, implemented by Ordinance No. 44 of the City of Manila and later renewed by Republic Acts Nos. 150 and 4159, to maintain and operate an electric light, heat, and power system in the City of Manila and suburbs;
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> 3. On or about August 25, 1974, a shipment of 310,440 net barrels of Cyrus Crude Oil consigned to petitioner for use in the

generation of electric power, arrived at the Port of Batangas on board tanker G/T "Attica", with Registry No. 155/74, covered by Bill of Lading No. A-C74-12 MER, supported by Amoco Invoice No. 188, Consular Invoice No. 2203, Central Bank Release Certificate No. IC-410 and declared under Entry No. 413/74;

4. Three (3) days prior to the arrival of the shipment aforesaid, or on August 22, 1974, based on the advanced copies of the shipping documents received by petitioner from the supplier, Amoco, petitioner initially filed Entry No. 413/74 in order to deposit ninety percent (90%) of the estimated duties, taxes, and other customs charges due on its forthcoming crude oil cargo as required by customs regulations for this class of shipment; said deposit of 90% for estimated duties, computed at the rate of 20% ad valorem under Tariff Hdg. No. 27.09, taxes and other charges, totalling ₱4,783,979.00, was accepted and receipted by the Port Collector of Batangas under Official Receipt No. 1149119 dated August 22, 1974; photocopy is hereto attached as <u>Annex "D"</u>;

5. Petitioner's crude oil shipment was completely discharged from the vessel on August 27, 1974, after which the necessary sounding and gauging of the crude oil in the receiving storage tanks of petitioner and taking of technical oil data were conducted under customs supervision and control and underguarding in order to determine, for duty and tax purposes, the accurate outturn of said crude oil shipment;

6. On September 11, 1974, or after the necessary technical oil data were taken and the complete and accurate outturn of the oil cargo determined, petitioner finally filed Entry No. 413/74 which was entered and accepted by the Port Collector of Batangas who finally released said oil cargo from customs custody on the same date after petitioner paid the balance of ten per cent (10%) in customs duties, also computed at the rate of 20% ad valorem under Tariff Hdg. No. 27.09, taxes and other charges, totalling ₱556,652.00, as finally determined by the Bureau of Customs, evidenced by Official Receipt No. 1149775 dated September 11, 1974; photocopy is hereto attached as <u>Annex "D-1"</u>;

7. On the same date, September 11, 1974, the date when petitioner filed its final Entry No. 413/74 covering the oil shipment mentioned in paragraph 3 hereof, Presidential Decree No. 551 was enacted, to take effect immediately, lowering "the tariff on fuel oils for the generation of electric power by public utilities", specifically by further amending Tariff Hdg. No. 27.09 of Section 104 of the Tariff and Customs Code, as amended, by reducing the tariff rate on petroleum oils and oils obtained from bituminous minerals, crude, from 20% to 10% ad valorem (Sec. 2, PD. 551);

8. On February 4, 1975, petitioner filed with respondent, through the Port Collector of Batangas, a claim for refund of overpaid customs duty amounting to P2,192,033.00, pursuant to Sections 1707 and 1708 of the Tariff and Customs Code, as amended, a photocopy of said claim is herewith attached as Annex "A" and made part hereof, which amount represents the difference between the old tariff rate of 20% ad valorem at the time petitioner's shipment arrived and entry initially filed and the new reduced tariff rate of 10% ad valorem at the time petitioner filed the final entry, paid the actual duties and taxes due, and obtained release or withdrawal of its oil cargo for consumption;

9. On August 7, 1975, the Port Collector of Batangas endorsed petitioner's claim to respondent who received same on October 15, 1975, a photocopy of the Collector's 2nd Indorsement is herewith attached as Annex "B" and made part hereof, recommending approval of petitioner's claim of P2,192,033.00 with his certification that said amount "was received by the Customs Cashier of the Port under Official Receipts Nos. 1149119 dated August 22, 1974 and 1149775 dated September 11, 1974";

10. On February 13, 1976, or after the lapsed of more than four (4) months from the date respondent received the favorable recommendation of his Collector, respondent wrote to petitioner a letter which the latter received on March 3, 1976, photocopy is herewith enclosed as Annex "C" and made part hereof, denying petitioner's claim by not favorably considering the same for alleged "lack of

> legal basis" and considering instead the application of the old rate of duty (20%) "then existing at the time of arrival and payment (initial deposit) of customs duties and taxes;
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> x x x   x x x   x x x

At any rate, respondent in his answer to the petition for review explicitly admits the allegations in paragraphs 1, 2, 3, 4 and 5 thereof; and in his decision appealed from (Exhibit "I", pp. 22-23, Customs records), he specifically states that:

> Initial entry for the said shipment was filed on August 22, 1974 after making a 90% deposit of customs duty, taxes and other charges in the amount of P4,783,979.00 under O.R.#1149119 dated August 22, 1974.
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> Said vessel arrived on August 25, 1974 and completed discharging her cargoes on August 27, 1974, after which the final entry was entered and accepted on September 11, 1974 and final release effected on the same date after payment of the balance in customs duty, taxes and other charges in the amount of P556,652.00 under OR#1149775 dated September 11, 1974.
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> As indicated above, the initial entry for the said shipment was filed on August 22, 1974 after payment of 90% deposit of customs duties, taxes and other charges at 20% ad valorem under Tariff Heading 27.09 which was the rate of duty at that time. Incidentally it was only the balance of 10% which was paid at the time P.D. 551 was promulgated reducing the rate from 20% to 10% ad valorem.
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> Considering that the shipment in question arrived on August 25, 1974, prior to the effectivity of P.D. 551, the old rate of duty then existing at the time of arrival and payment of customs duties and taxes shall apply.

Despite the seemingly conflicting arguments invoked by the parties, there is no real dispute between them on the fundamental principles by which petitioner's importation of cyrus crude oil was deemed entered in the Philippines for consumption. A lot of ground can at once be covered, and it will greatly help simplify matters, if the material and relevant allegations of the parties which are admitted or deemed admitted by them, and which are borne out by the records, are reduced to basic factual situations that are beyond controversy, to wit:

1. On August 22, 1974, anticipating the arrival of a shipment of 310,440 net barrels of cyrus crude oil, petitioner filed with the Collector of Customs of the Port of Batangas initial entry for the said shipment after making a 90% deposit of the estimated customs duty, taxes and other charges in the amount of P4,783,979.00. The amount deposited was computed at 20% *ad valorem* rate of duty under Tariff Heading No. 27.09, Section 104 of the Tariff and Customs Code, and received by the Port Collector under Customs Official Receipt No. 1149119 dated August 22, 1974.

2. On August 25, 1974, petitioner's shipment arrived at the Port of Batangas on board tanker G/T "Attica", with Registry No. 115/74, covered by Bill of Lading No. A-C74-12 MBR, supported by Amoco Invoice No. 188, Consular Invoice No. 2203, Central Bank Release Certificate No. IC-410 and

declared under Entry No. 413/74.

3. Petitioner's crude oil shipment was completely discharged from the carrying vessel on August 27, 1974, after which the necessary sounding and gauging of the crude oil in the receiving storage tanks of petitioner and taking of technical oil data were conducted under customs supervision and control and underguarding in order to determine, for duty and tax purposes, the accurate outturn of said crude oil shipment.

4. On September 11, 1974, after the necessary technical oil data were taken and the complete and accurate outturn of the oil cargo determined, the final entry was entered and accepted by the Port Collector of Batangas who finally released said oil shipment from customs custody to petitioner on the same date after payment by the latter of the balance of ten per cent (10%) in customs duty, taxes and other charges in the amount of ₱556,652.00, as finally determined by the Bureau of Customs, under Customs Official Receipt No. 1149775 dated September 11, 1974 at 20% ad valorem under Tariff Heading No. 27.09.

5. On September 11, 1974, Presidential Decree No. 551 took effect. This Decree lowered "the tariff on fuel oils for the generation of electric power by public utilities", specifically by amending

Tariff Heading No. 27.09 of Section 104 of the Tariff and Customs Code, reducing the tariff rate on petroleum oils and oils obtained from bituminous minerals, crude, from 20% to 10% ad valorem. (Section 2, Presidential Decree No. 551.)

6. On February 4, 1975, petitioner filed with respondent, through the Port Collector of Batangas, a claim for refund of overpaid customs duty amounting to P2,192,033.00, pursuant to Sections 1707 and 1708 of the Tariff and Customs Code. The said claim for refund reads as follows: (Exh. "G", pp. 2-3, Customs records.)

The Commissioner of Customs
M a n i l a

T h r u : The Collector of Customs
Port of Batangas

Subject : Claim for Refund of Overpaid
Customs Duty

S i r :

We refer to our shipment of 310,609 gross barrels of cyrus crude oil which arrived on August 25, 1974, aboard the G/T "ATTICA", Registry No. 115/74, Bill of Lading No. A-C74-12 MER and declared in Entry No. 413/74.

Please be informed that we have inadvertently declared the aforesaid shipment under Tariff Heading No. 27.09 and erroneously paid the amount of P4,384,066 customs duty at the ad valorem rate of 20% on August 22, 1974 (initial) and September 11, 1974 (final) under Customs Official Receipts No. 1149119 and 1149775, respectively, photocopies of which are herewith enclosed, in view of the enactment on September 11, 1974 of Presidential Decree No. 551, amending Tariff Heading No.

27.09 of Section 104 of the Tariff and Customs Code and implemented by Finance Department Order No. 35-74 dated September 16, 1974, Section 2 of which provides:

"Section 2. Tariff Heading No. 27.09 of Section 104 of the Tariff and Customs Code, as amended, is hereby further amended as follows:

Tariff Heading No.	Description of Articles	Rate of Duty
27.09	Petroleum oils and oils obtained from bituminous minerals, crude.	
	a. for use as fuel oils for the generation of electric power imported by electric utilities	Ad Val. 10%
	b. Others	Ad Val. 20%

For your ready reference, we likewise enclose photocopy each of the following:

1. Finance Department Order No. 35-74, implementing provision of P.D. 551; and
2. Import Entry and Internal Revenue Declaration Serial No. 0103055.

In view of the foregoing, we hereby request that Entry No. 413/74 be reliquidated and the excess customs duties paid in the sum of P2,192,033 be refunded to, or tax credited in favor of, Manila Electric Company, pursuant to Sections 1707 and 1708 of the Tariff and Customs Code, as amended.

7. On August 7, 1975, the Port Collector of Batangas endorsed petitioner's claim for refund to

respondent, with the certification that the amount of ₱2,192,933.00, which was found to have been overpaid, was received by the Customs Cashier of the Port under official receipts No. 1149119 dated August 22, 1974 and 1149775 dated September 11, 1974, and with the recommendation of the approval of the claim. (Exh. "D", p. 9, Customs records.)

8. In a letter-decision dated February 13, 1976, respondent denied petitioner's claim for refund, "Considering that the shipment in question arrived on August 25, 1974, prior to the effectivity of P.D. 551, the old rate of duty then existing at the time of arrival and payment of customs duties and taxes shall apply." (Exh. "I", pp. 22-23, Customs records.)

9. The parties are in agreement on the provisions of law, legal principles and computations of customs duty, taxes and other charges payable (and paid) by petitioner on the oil shipment in question, or the amount of customs duty refundable to petitioner, in case its claim for refund is legal and meritorious.

Should the old rate of 20% ad valorem be applied on petitioner's shipment of 310,440 net barrels of cyrus crude oil, or the reduced rate of 10% effective on September 11, 1974?

In their controlling provisions, Section 205 and Section 206 of the Tariff and Customs Code of the Philippines textually read:

> SEC. 205. Effective Date of Rates of Import Duty. -Imported articles shall be subject to the rate or rates of import duty existing at the time of entry, or withdrawal from warehouse, in the Philippines, for consumption.
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> x x x   x x x   x x x
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> SEC. 206. Entry or Withdrawal from Warehouse for Consumption. -Imported articles shall be deemed "entered" in the Philippines for consumption when the specified entry form is properly filed and accepted, together with any related documents required by the provisions of this Code and/or regulations to be filed with such form at the time of entry, at the port or station by the Customs official designated to receive such entry papers and any duties, taxes, fees and/or other lawful charges required to be paid at the time of making such entry having been paid or secured to be paid with the Customs officer designated to receive such monies, provided that the article has previously arrived within the limits of the port of entry.

Adverting to the terms of the statute, the parties are agreed, and it is quite apparent, that in order to be deemed as "entered" in the Philippines for consumption, an imported merchandise must meet these conditions, namely, (1) that it must have previously arrived within the limits of the port of entry, (2) that the specified entry form together with its related documents shall have been filed and accepted by the appropriate Customs officer, and (3) that duties, taxes, fees and/or other lawful charges shall have been paid or secured to be paid at the time of entry. All three factors must be present for any imported merchandise to be considered as entered. The rate or rates of duty applicable to the merchandise entered under any such entry is the rate or rates in effect when the making of the entry as stated above is completed. (See Tejam, Commentaries on the Revised Tariff and Customs Code of the Philippines, Vol. IV, 1973 ed., p. 2194.)

The law seems clear and specific. It calls for application as thus worded. There is no room for construction. The applicable provisions make clear that imported articles shall be subject to the rate or rates of import duty existing at the time of entry in the Philippines for consumption. And imported articles shall be deemed "entered" in the Philippines for consumption (1) "when the specified entry form is properly filed and accepted, together with any related documents" required by law and regulations, at the port by the proper customs official; (2) "any duties, taxes, fees and/or other lawful charges required to be paid at the time of making such entry have been paid or secured to be paid"; and (3) the "article has previously arrived within the limits of the port of entry." Nothing there said speaks of imported articles shall be deemed to have been entered in the Philippines for consumption on the "date that the shipment appears to have arrived within the limits of its port of entry." (At page 6 of respondent's memorandum.)

Now, to the case at bar. When did the shipment of 310,440 net barrels of cyrus crude oil consigned to petitioner arrive at the Port of Batangas on board tanker G/T "Attica"? Respondent Commissioner of Customs, in his decision appealed from, gives the ready answer. He says: "Said vessel arrived on August 25, 1974 and completed discharging her cargoes on August 27, 1974." (Exh. "I", p. 23, Customs records.) When was the specified entry form, together with its related documents, filed and accepted by the Collector of Customs of the Port of Batangas? Respondent Commissioner of Customs, in his decision appealed from dated February 13, 1976, again specifies: "final entry was entered and accepted on September 11, 1974." (Exh. "I", p. 23, Customs records.) And when were the duties, taxes, fees and/or other lawful charges required to be paid at the time of making the entry paid? Likewise, respondent Commissioner of Customs specifically states in his decision that "final release (of the shipment was) effected on the same date (September 11, 1974) after payment of the balance in customs duty, taxes and other charges in the amount of ₱556,652.00 under O.R.#1149775 dated September 11, 1974. (Exh. "I", p. 23, Customs records; also at p. 9, CTA records.)

It thus results that it was on September 11, 1974, after the necessary oil data were taken and the complete and accurate outturn of the oil cargo determined, and petitioner finally filed Entry No. 413/74 which was entered and accepted by the Port Collector of Batangas, who finally released said shipment from customs custody on the same date, after petitioner paid the balance of ten per cent (10%) in customs duties, taxes and other charges, totalling ₱556,652.00, as finally determined by the Bureau of Customs, that the subject importation should be deemed "entered" in the Philippines for consumption. And since on the same date, September 11, 1974, Presidential Decree No. 551 lowered "the tariff on fuel oils for the generation of electric power by public utilities" from 20% to 10% ad valorem, by specifically amending Tariff Heading No. 27.09 of Section 104 of the Tariff and Customs Code, the reduced rate of duty now existing at that time should apply.

Not much need be said on respondent's thesis that petitioner may be considered to have paid the duties, taxes, fees and/or other lawful charges on the shipment in question on August 22, 1974, when Entry No. 413/74 was filed; so that "ultimately, petitioner's shipment of crude oil should be deemed to have been entered in the Philippines for consumption on August 25, 1974, because it was on that date that the shipment appears to have arrived within the limits of its port of entry, Batangas." (p. 6, respondent's memorandum.) By Section 206 of the Tariff and Customs Code, supra, imported articles are not deemed entered in the Philippines for consumption on the date of their arrival within the limits of the port of entry. And by respondent's own decision, at the very least, only the initial entry for the said shipment was filed (not yet accepted) on August 22, 1974 after payment of 90% deposit of customs duties, taxes and other charges. (Exh. "I", supra.)

The situation here presented would not, therefore, create entry in the Philippines for consumption on August 25, 1974 of the subject importation. As correctly pointed out by petitioner, the making or filing of Entry No. 413/74 on August 22, 1974 is not complete for the following reasons: Firstly, at the time of its filing, the imported merchandise has not yet arrived within the limits of the Port of Batangas; Secondly, when the imported article arrived in port on August 25, 1974, the related shipping and customs documents such as the bill of lading, consular and commercial invoices, as well as the Central Bank release certificate, the Bureau of Internal Revenue authority to release imported goods, were not yet attached to the initial entry filed on August 22, 1974; and Thirdly, when the imported cargo arrived at the Port of Batangas on August 25, 1974, there was no complete payment yet for duties, taxes, fees and/or other lawful charges due on the shipment. Only 90% of customs duty, taxes and other charges was accepted by the Port Collector merely as a deposit on August 22, 1974, pending the gathering of the technical data, the gauging and sounding of the oil cargo and the determination of its complete outturn, a standard operating procedure for handling this kind of shipment after discharge from the carrying vessel. (pp. 30-31, CTA records.)

1. This was confirmed by Jaime M. Perez, the Customs Examiner of the Port of Batangas, when he stated that: (Exh. "F", p. 6, Customs records)

MEMORANDUM for:

The Collector of Customs
Port of Batangas

SUBJECT: Claims for Refund of Overpaid Customs Duty by Manila Electric Company.

This has reference with the claims for refund of overpaid Customs Duty by the Manila Electric Company on cyrus crude oil discharged ex. s. s. "ATTICA" Reg. No. 115/74 under Entry No. 413/74.

Initial entry for said shipment was filed on August 22, 1974 after payment of 90% deposit of Customs Duty, taxes and other charges in the amount of P4,783,979.00 under OR#1149119 dated August 22, 1975.

> Said vessel arrived on August 25, 1974 and completed discharging her cargoes on August 27, 1974, after which the final entry was entered and accepted on September 11, 1974 and released on the same date after payment of the balance in customs duty, taxes and other charges in the amount of ₱556,652.00 under OR 1149775 dated September 11, 1974.

2. Sustained by the Collector of Customs of the Port of Batangas in his 2nd Indorsement dated August 7, 1975 to respondent, recommending approval of petitioner's claim for refund of overpaid customs duty in the amount of ₱2,192,933.00, saying: (Exh. "D", p. 9, Customs records):

> It may be noted that Finance Department Order No. 35-74 was issued only on September 16, 1974 or five days (September 11, 1974) after the importation may be deemed to have been completed with the filing of the corresponding entry and the final payment of customs duties. x x x.

3. And concurred in by respondent himself when he stated in his decision appealed from:

> Initial entry for the said shipment was filed on August 22, 1974 after making a 90% deposit of customs duty, taxes and other charges in the amount of ₱4,783,979.00 under O.R. 1149119 dated August 22, 1974.
>
> Said vessel arrived on August 25, 1974 and completed discharing her cargoes on August 27, 1974, after which the final entry was entered and accepted on September 11, 1974 and final release effected on the same date after payment of the balance in customs duty, taxes and other charges in the amount of ₱556,652.00 under OR 1149775 dated September 11, 1974.
>
> As indicated above, the initial entry for the said shipment was filed on August 22, 1974 after payment of 90% deposit of customs duties, taxes and other charges at 20% ad valorem under

> Tariff Heading 27.09 which was the rate of duty at that time. Incidentally it was only the balance of 10% which was paid at the time P.D. 551 was promulgated reducing the rate from 20% to 10% ad valorem. (Supra; emphasis supplied)

Respondent attempts, however, to draw support from Customs Administrative Order No. 7-70 dated December 19, 1969, which requires a consignee upon filing his entry to pay the amount of duty payable on the shipment prior to the examination of the importation, unless the goods are intended for transportation, for warehousing, or under bond. Hence, petitioner should have paid the total of the duties, taxes, fees and/or other lawful charges on the shipment on August 22, 1974, when Entry No. 413/74 was filed, not just 90% thereof. In this position, respondent now finds comfort in the supposition that petitioner's payment of ₱556,652.00 on September 11, 1974, may be seen to be but a liquidation of Entry No. 413/74 under Section 1601 of the Tariff and Customs Code.

Of course, respondent could not have overlooked his finding in his decision appealed from, which is the result of investigation, that what was filed on August 22, 1974 by petitioner, after making a 90% deposit of customs duty, taxes and other charges, was the initial entry for the shipment. The final entry was entered and accepted by the Bureau of Customs on September 11, 1974 and final release of the shipment in question was effected on the same date. We understand that since oil cargo involves technical processes to finally ascertain the duty and tax assessable which cannot be determined upon arrival, the Bureau of Customs requires the initial filing of entry and the deposit of 90% of the estimated duties and taxes payable. It is only after sounding and gauging the oil in the storage tanks and ascertaining the complete outturn thereof, which process usually takes from 12 to 15 days to accomplish, that the Collector of Customs collects the balance of 10% of the duty and taxes payable. The gathering of the technical data on the crude oil for duty and tax purposes is still part of the entry and appraisal processes and not liquidation as the term is understood. (p. 48, CTA records)

But as expressly and explicitly stated therein, Customs Administrative Order No. 7-70, as amended by Customs Administrative Order No. 10-70 and Customs Administrative Order No. 17-70, refers to the "Immediate Payment System and Collection of Import Duties and Taxes in the Port of Manila through the Banks." To quote Section 21 thereof:

> "SEC. 21. This Order shall apply to importations entered through the Port of Manila and shall take effect upon approval of the Secretary of Finance." (Emphasis Supplied)

This order is to implement Executive Order

No. 2 of the President of the Philippines dated January 5, 1966 directing that customs duties, taxes and other levies on imported articles be collected by the Central Bank of the Philippines through its authorized agent banks, and in line with Central Bank Circular No. 217, Series of 1966, to further hasten the delivery of merchandise. (p. 47, CTA records.) Nothing there said speaks of the consignee or importer being required to pay in full the duty and taxes upon filing of the initial entry. No justification can be found for reading something into the Customs Administrative Order which is not expressly or clearly intended to be so included therein, especially when there is no agent bank of the Central Bank in the Port of Batangas and the Order is applicable only at the Port of Manila.

We find no merit, therefore, in respondent's supposition that petitioner's payment of P556,652.00 on September 11, 1974 may be seen to be but a liquidation of Entry No. 413/74 under Section 1601 of Tariff and Customs Code so that, ultimately, petitioner's shipment of crude oil should be deemed to have been entered in the Philippines for consumption on August 25, 1974 because it was on that date that the shipment appears to have arrived within the limits of its port of entry, Batangas.

The net result is that September 11, 1974 is the date when petitioner's shipment of 310,440 net barrels of cyrus oil was entered in the Philippines for consumption. It was on this date when Entry No. 413/74 was properly filed and accepted, together with the related shipping and customs documents, such as the bill of lading, consular and commercial invoices, Central Bank release certificate and Bureau of Internal Revenue authority to release imported goods, by the Port Collector of Batangas, the proper Customs official designated to receive such papers, and final release affected (on the same date) after payment in full of the balance in customs duty, taxes and other charges in the amount of ₱556,652.00 under Customs Official Receipt No. 1149775 dated September 11, 1974, the shipment in question having previously arrived within the limits of the Port of Batangas. Since the rate of duty applicable to petitioner's importation had already been reduced to 10% ad valorem effective September 11, 1974, the date when Presidential Decree No. 551 took effect, petitioner Manila Electric Company is therefore entitled to the refund, or tax credit, of the amount of ₱2,192,033.00 as overpaid customs duty on its crude oil shipment covered by Entry No. 413/74, as reliquidated by the Port Collector of Batangas.

WHEREFORE, the decision appealed from is hereby reversed and respondent Commissioner of Customs is ordered to refund to, or grant a tax credit in favor of, petitioner Manila Electric Company the amount of P2,192,033.00. Without pronouncement as to costs.

SO ORDERED.

Quezon City, November 29, 1978.

Amante Filler
AMANTE FILLER
Acting Presiding Judge

I CONCUR:

CONSTANTE C. ROAQUIN
Associate Judge