REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

SPECIAL SECOND DIVISION

MILLIONSTAR GRAINS CORPORATION, represented by its President, Ms. JAENA BAUTISTA-MANUNTAG,
Petitioner,

-versus-

HON. DISTRICT COLLECTOR OF CUSTOMS, Port of MICP, North Harbor, Port Area, Manila;

and

HON. REY LEONARDO GUERRERO, Commissioner of Customs, South Harbor, Port Area, Manila,
Respondents.

CTA CASE NO. 10577

Members:

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

Promulgated:

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DECISION

RINGPIS-LIBAN, *PJ.*:

THE CASE

Petitioner seeks the refund of PhP1,044,528.21, representing alleged overcharged duties and taxes unduly collected by the Office of the District

Collector of Customs and the Office of the Commissioner of Customs (COC), *then* headed by Hon. Rey Leonardo Guerrero.

THE PARTIES

Petitioner Millionstar Grains Corporation, represented by its President Ms. Jaena Bautista-Manuntag, is a corporation duly registered and existing under Philippine laws.[1] It is engaged in the business of importation of commodities consigned to it and exported from abroad to the Philippines.[2]

Respondents District Collector of Manila International Container Port (MICP) and Hon. Rey Leonardo of Manila Guerrero, *then* Commissioner of Customs, are responsible for assessment and collection of customs revenues for imported accruing under Republic Act 10863 otherwise known as the goods, and other dues, fees, charges fines, and penalties Customs Modernization and Tariff Act (CMTA).[3]

THE CASE

On March 2, 2021, a shipment of 41,600 bags, each bag weighing 50 kilograms of Vietnam White Rice 5% brokens arrived at the North Harbor Port Area, Manila covered by *Bill of Lading* Number ONEYSGNB33627900 with *Manifest Waybill* Registry Number ONX0024-21 and covered by Ticket #MICP-00419268 (Exhibit R-7 for Respondent).[4]

ADMINISTRATIVE PROCEEDINGS

Upon arrival of the shipment, the Bureau of Customs (BOC) calculated the corresponding customs duty through its assigned Customs Examiner.

The initial and temporary assessment imposed by the BOC, based on petitioner's declaration of goods and on the *Transactional Value System (TVS) - Method One* provided for under Section 701 of the CMTA, amounted to Eight Million One Hundred Fifty-Four Seven Hundred Eight Six and 28/100 (PhP 8,154,786.26 [*sic*]) (Exhibit P-2 for the Petitioner; Exhibit R-2 and R-7 for the Respondent).[5]

However, adjustment had to the made because petitioner failed to present any acceptable proofs of payment under Central Bank Circular No. 1389 dated April 13, 1993, which would have justified the use of *TVS - Method*

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[1] *Joint Stipulation of Facts and Issues*, Docket, pp. 255-256.
[2] Annex E of *Compliance - Judicial Affidavit* of Ms. Jaena Bautista-Manuntag, President and General Manager of Millionstar Grains Corporation, Docket, p. 48.
[3] *Joint Stipulation of Facts and Issues*, Docket, pp. 256.
[4] *Id.*; Annex E of *Compliance - Judicial Affidavit* of Ms. Jaena Bautista-Manuntag, President and General Manager of Millionstar Grains Corporation, Docket, p. 48.
[5] *Id.*

One.[6] Since *TVS- Method One* could not be used to compute for the customs duties, the BOC proceeded to use the sequential methods of valuation under Sections 700-707 of the CMTA.[7]

For the final assessment, respondent District Collector of Customs applied the *TVS - Method Three* in conjunction with OCOM Memorandum No. 36-2021 dated March 1, 2021 (Exhibit P-6 for the Petitioner; Exhibit R-3 for the Respondent). Respondent adjusted upward the duties payable by petitioner to Nine Million One Hundred Ninety-Nine Thousand Three Hundred Fourteen and 49/100 (PhP9,199,314.49). This resulted in an increase of One Million Forty-Four Thousand Five Hundred Twenty-Eight and 21/100 (PhP1,044,528.21) from the initial assessment using *TVS - Method One* of Section 701 of the CMTA (Exhibits P-3 and P-4 for the Petitioner; Exhibits R-4 and R-8 for the Respondent).[8]

As a result, petitioner paid the adjusted assessment *under protest.*[9]

Petitioner then filed its *Protest and Appeal* before respondent COC (Exhibit P-1) on March 15, 2021.[10]

No motion for reconsideration was filed before respondent COC *prior* to the filing of the present petition.[11]

JUDICIAL PROCEEDINGS

On July 9, 2021, petitioner filed its *Petition for Duty and Tax Refund.*

On November 19, 2021, petitioner filed a *Motion for Leave to Admit Amended Petition for Review of Protest and Appeal for Duty and Tax Refund*, attaching its *Amended Petition for Review of Protest and Appeal for Duty and Tax Refund.*[12]

In a *Resolution* dated February 17, 2022, the Court *denied* petitioner's motion and ordered petitioner to submit the following within five (5) days from notice: (1) *Secretary's Certificate* or *Board Resolution* as proof of authority of Ms. Jaena Manuntag to sign the *Verification and Certification of Non-Forum Shopping* on behalf of petitioner; and, (2) *Judicial Affidavits* of petitioner's intended witnesses.[13]

On March 15, 2022, petitioner filed its *Compliance*; manifested that it chooses to follow the option of being represented by counsel; and, attached an

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[6] *Judicial Affidavit of Mr. Basset G. Lucman*, Customs Operations Officer V, Docket, pp. 365, 366-367.
[7] *Id.*, p. 367.
[8] *Joint Stipulation of Facts and Issues*, Docket, p. 256.
[9] *Id.*
[10] *Id.*, p. 257.
[11] *Id.*
[12] Docket, pp. 18-26.
[13] *Id.*, pp. 28-30.

Entry of Appearance, *Verification and Certification of Non-Forum Shopping*, the *Corporate Secretary's Certificate of Board Resolution* and the *Judicial Affidavits* of its witnesses.[14] In a *Resolution* dated April 20, 2022, the Court *noted* that the *Compliance* and admitted the documents submitted as part of the record of the case.[15]

On April 28, May 4 and June 13, 2022, summonses were served.[16]

On July 4, 2022, after filing a *Motion for Extension of Time to File Answer*,[17] which was granted by the Court,[18] respondents filed an *Answer (Re: Petition for Duty and Tax Refund)*, through the Office of the Solicitor General (OSG).[19] Respondents interposed the following special and affirmative defenses: (1) petitioner failed to exhaust administrative remedies; (2) the petition was filed out of time; and, (3) petitioner failed to comply with the requirements for the application of Section 701 of the CMTA.[20]

On July 7, 2022, the Court issued a *Notice of Pre-Trial Conference* informing the parties of Pre-Trial Conference set on September 22, 2022.[21]

In a *Resolution* dated September 14, 2022, the Court reminded respondents to certify and elevate the BOC Record of this case per *Resolution* dated June 7, 2022.[22]

On September 14, 2022, respondents filed their *Pre-Trial Brief*[23]and the *Pre-Trial Brief for Petitioner* was filed on September 16, 2022.[24]

During the scheduled Pre-Trial Conference on September 22, 2022, only the State Solicitor Mauricia E. Dinopol appeared. In view of the absence of petitioner's counsel and since respondent's counsel had no *Special Power of Attorney*, the Pre-Trial Conference was cancelled and reset to November 3, 2022.[25]

In a letter dated October 7, 2022 respondents transmitted the case record consisting of eighteen (18) pages.[26] On even date, petitioner also filed a *Notice of Withdrawal of Counsel*, with the signed approval of petitioner's president and general manager Ms. Jaena Bautista-Manuntag, which asked the Court to relieve and excuse petitioner's counsel of record of the duties as counsels.[27]

[14] *Id.*, pp. 34-53.
[15] *Id.*, pp. 32-33.
[16] *Id.*, p. 56.
[17] *Id.*, p. 57-60.
[18] June 7, 2022 *Resolution*, *Id.*, p. 63.
[19] *Id.*, pp. 65-100.
[20] *Id.*, pp. 65-73.
[21] *Id.*, pp. 101-102.
[22] *Id.*, pp. 104-105.
[23] *Id.*, pp. 106-115.
[24] *Id.*, pp. 117-133.
[25] *Minutes of Hearing*, *Id.*, p. 144.
[26] *Id.*, p. 145.
[27] *Id.*, pp. 151-152.

Petitioner also filed a *Manifestation*, which asked the Court ample time up to December 2022 to find a replacement counsel who will take over the case.[28]

In a *Resolution* dated October 27, 2022, the Court noted petitioner's *Notice of Withdrawal of Counsel*, cancelled the November 3, 2022 Pre-Trial Conference and gave petitioner until December 2022 to find a replacement.

On January 6, 2023, petitioner's new counsel filed a *Formal Entry of Appearance.*[29] In a Resolution dated January 18, 2023, the Court noted the appearance of the new counsel and set the Pre-Trial Conference on March 16, 2023.[30] However, on March 1, 2023, the new counsel asked permission to withdrew from the case, with the written conformity of petitioner's president and general manager Ms. Jaena Bautista-Manuntag.[31] Because of this development, petitioner again asked for time to engage a new counsel.[32] In a *Resolution* dated April 12, 2023, the Court *granted* the withdrawal of the new counsel, *cancelled* the April 13, 2024 Pre-Trial Conference and *reset* it to July 11, 2023.

On April 4, 2023, respondents filed a *Manifestation and Motion (For Leave to File Supplemental Judicial Affidavit of Mr. Basset G. Lucman and Additional Documentary Exhibit).*[33] This was subsequently noted and granted by the Court.[34]

In a *Notice* dated June 13, 2023, the case was transferred to the Second Division pursuant to *Administrative Circular No. 01-2023 (Reorganizing the Divisions of the Court).*[35]

On July 11, 2023, considering the absence of petitioner's representative, its president and general manager Ms. Jaena Bautista-Manuntag and its counsel, the Pre-Trial Conference was *cancelled.* Upon oral motion, respondent was given ten (10) days or until July 21, 2023 to file a *Motion to Dismiss.*[36]

On August 15, 2023, respondent filed a *Manifestation with Motion to Admit* attached *Motion to Dismiss.* The *Motion to Dismiss* asked the Court to dismiss the case due to petitioner's lack of interest to prosecute the case.[37]

On August 16, 2023, Valdez Law and Associates entered its appearance as counsel for petitioner.[38]

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[28] *Id.*, pp. 153-154.
[29] *Id.*, pp. 155-156.
[30] *Id.*, pp. 159-156.
[31] *Manifestation with Motion, Id.*, pp. 168-171.
[32] *Manifestation, Id.*, p. 172.
[33] *Id.*, pp. 173-192.
[34] *Id.*, p. 197.
[35] *Id.*, p. 198.
[36] *Minutes of Hearing, Id.*, p. 199.
[37] *Id.*, pp. 205-212.
[38] *Entry of Appearance, Id.*, pp. 214-216.

In a *Resolution* dated September 8, 2023, the Court noted and granted respondent's *Manifestation with Motion to Admit.*[39]

On September 18, 2023, petitioner filed a *Comment / Opposition [to Public Respondents Motion to Dismiss dated 2 August 2023].*[40]

In a *Resolution* dated October 26, 2023, the Court denied respondents' *Motion to Dismiss* and set the Pre-Trial Conference on February 8, 2024.[41]

On February 8, 2024, Pre-Trial Conference was held.[42] On March 4, 2024, the parties filed their *Joint Stipulation of Facts and Issues*,[43] which was approved by the Court in a *Resolution* dated March 27, 2024.[44] Thereafter, the Court issued a *Pre-Trial Order* dated May 22, 2024.[45]

Thereafter, the presentation of petitioner's evidence scheduled on May 23, 2026 was reset to July 16, 2024. During said hearing, counsels for both parties agreed that their exhibits were common exhibits and that there was no factual issue in the case. However, it was noted that there remained a question on the issuance and publication of OCOM Memorandum No. 36-2021 dated March 1, 2021, so another hearing was set on September 12, 2024.[46]

On September 12, 2024 regarding OCOM Memorandum No. 36-2021 dated March 1, 2021, counsel for respondent presented Ms. Jessil F. Garlando, who testified in full and agreed to file a *Formal Offer of Exhibits* by September 27, 2024.[47]

On September 4, 2024, respondent filed by registered mail a *Memorandum (Re: Public Respondent's Manifestation / Motion for Summary Judgement).*[48]

On September 27, 2026, respondent filed by registered mail a *Manifestation and Motion* with attached *Formal Offer of Exhibits*, with petitioner's *Comment / Opposition (To Respondent's Formal Offer of Exhibits)* filed on October 7, 2024. In a Resolution dated December 4, 2024, the Court *admitted* Exhibits **R-1**, **R-2**, **R-3**, **R-4**, **R-5**, **R-7** and **R-9** but *denied* the admission of Exhibits **R-6**, **R-6-A**, **R-10** and **R-10-A**, which were not identified in Court.[49]

In a *Manifestation and Motion* with attached *Omnibus Motion* filed on February 5, 2025, respondent asked the Court to *reopen* the presentation of evidence and allow Mr. Basset Lucman and Gerald Vincent R. Tamayo to

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[39] *Id.*, p. 218.
[40] *Id.*, pp. 219-226.
[41] *Id.*, pp. 231-233.
[42] Order, *Id.*, pp. 247-249.
[43] *Id.*, pp. 255-262.
[44] *Id.*, p. 269.
[45] *Id.*, pp. 285-289.
[46] July 16, 2024 *Order*, *Id.*, p. 307.
[47] September 12, 2024 Order, *Id.*, p. 308a.
[48] *Id.*, pp. 317-335.
[49] *Id.*, pp. 434-436.

testify as additional witnesses.[50] Petitioner filed its *Comment / Opposition [To Respondent's Omnibus Motion]*.[51]

On January 27, 2025, petitioner filed its *Memorandum*.[52]

On April 8, 2025, the Court issued a *Resolution*, which *granted* respondent's *Omnibus Motion*, *allowed* the reopening of trial, *recalled* witnesses Mr. Basset Lucman and Mr. Gerald Vincent R. Tamayo to testify on June 3, 2025.[53]

On May 29, 2025, respondent filed a *Manifestation* informing the Court that the *Judicial Affidavit* of Mr. Gerald Vincent R. Tamayo will also be filed as an additional witness in the June 3, 2025 hearing to prove that he issued the Certification dated September 20, 2024 regarding the uploading of OCOM Memorandum No. 36-2021.[54]

On June 3, 2026, witnesses Mr. Basset Lucman and Gerald Vincent R. Tamayo testified on direct examination and were cross-examined.[55]

On June 9, 2025, respondent filed a *Formal Offer of Exhibits*,[56] with petitioner's *Comment / Opposition [To Respondent's Formal Offer of Exhibits]* filed on June 17, 2026. On October 8, 2025, the Court issued a Resolution, which *admitted* Exhibits **R-6**, **R-6-A**, **R-10**, **R-10-A** and **R-10-B** and *submitted* the case for decision.[57]

THE ISSUES

The parties stipulated the following issues for the Court's resolution:[58]

1. WHETHER THE PETITIONER FAILED TO EXHAUST ADMINISTRATIVE REMEDIES IN FILING THIS PETITION FOR REVIEW FROM THE DENIAL OF ITS PROTEST AND APPEAL BY THE RESPONDENT COC.

2. WHETHER THE PETITION WAS FILED OUT OF TIME.

3. WHETHER THE PETITIONER IS ENTITLED TO THE REFUND OF THE AMOUNT OF PHP 1,044,528.21 IT PAID IN ADDITION TO THE INITIAL ASSESSMENT IN THE AMOUNT OF PHP8,154,786.28 FOR THE SUBJECT RICE IMPORTATION.

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[50] *Id.*, pp. 440-447.
[51] *Id.*, pp. 455-458.
[52] *Id.*, pp. 462-474.
[53] *Id.*, pp. 486-493.
[54] *Id.*, pp. 495-497.
[55] *Minutes* of the hearing held on June 3, 2025, *Id.*, p. 509.
[56] *Id.*, pp. 513-515.
[57] *Id.*, pp. 544-546.
[58] *Joint Stipulation of Facts and Issues*, Docket, p. 257.

a. Whether Petitioner failed to comply with the requirements for the Transaction Value System - Method One under Section 701 of the CMTA.

4. WHETHER OCOM MEMORANDUM NO. 36-2021 IS APPLICABLE IN THIS CASE.

THE ARGUMENTS OF THE PARTIES

In its *Memorandum*,[59] Petitioner argues that the Court has jurisdiction over the case because it properly exhausted administrative remedies. It contends that receipt of a ruling from the Commissioner is a prerequisite to further action, and that, absent such receipt, filing a Motion for Reconsideration is not mandatory under Customs Administrative Order No. 02-2020. Moreover, the petition was not filed out of time, as it assails the respondent's *inaction*—not an *action*—and therefore the reglementary period should be reckoned differently. On the merits, petitioner asserts entitlement to the refund on two grounds: (a) respondent should have applied Method One in determining the dutiable value; and (b) respondent had no legal basis to resort to Method Three, since, under the General Agreement on Tariffs and Trade (GATT), the application of Method Three presupposes that Methods One and Two have first been shown to be insufficient for determining dutiable value.

On the other hand, in a *Memorandum*,[60] respondents contend that petitioner's failure to file a *Motion for Reconsideration* before elevating the denial of its protest to the CTA is fatal because it is in violation of the rule on exhaustion of administrative remedies. In addition, respondents state that the documents petitioner submitted for the subject importation were insufficient to justify application of the *TVS – Method One*, thereby warranting application of *TVS – Method Three* under Section 701 of the CMTA. Accordingly, respondents argue that the Court has no jurisdiction over the petition, and that petitioner is not entitled to a refund of PhP1,044,528.21, representing the alleged overcharged duties and taxes on its rice shipment.

THE COURT'S RULING

The *Amended Petition for Review of Protest and Appeal for Duty and Tax Refund* must be *dismissed for lack of jurisdiction.*

First, in *Ace Publication, Inc. v. Commissioner of Customs*,[61] a case of *inaction* by the Collector of Customs and Commissioner of Customs, the Supreme Court *En Banc* held that the Court of Tax Appeals (CTA) had no jurisdiction over the

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[59] Docket, pp. 462-474.
[60] Docket, pp. 317-335.
[61] G.R. No. L-18808, May 29, 1964.

case and affirmed the CTA resolution *dismissing* the taxpayer's petition in said case:

> "Between the periods of March, 1959 to February, 1960, the petitioner herein, publisher of the Filipino, Especial and Hiwaga Comics and Tagalog Classics, magazines for combined literary entertainment, news items and opinions, imported several rolls and packages of newsprints for the exclusive use in the publication of the above-mentioned magazines, under the provisions of Rep. Act No. 785. Considering that the respondent Collector of Customs had erroneously and/or illegally assessed and collected on said imported newsprints the aggregate amount of P86,000.00, petitioner wrote letters for the refund of the above amount to the Collector of Customs, xxx
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> which were all unheeded by the respondent Collector of Customs. <u>The inaction compelled the petitioner to bring the matter to the attention of respondent Commissioner of Customs, in a letter dated May 27, 1960. In this letter petitioner asked for a review of the alleged erroneous and/or illegal assessments and collections and to authorize the refund thereof to petitioner. This letter, likewise, did not merit any attention from the Commissioner</u>. <u>So, that on February 9, 1961, petitioner presented with the Court of Tax Appeals (CTA), a Petition for Review containing six causes of action, all for the refund of the various amounts paid on different dates and alleging, as basis thereof, the following</u>:
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> > 'That the petitioner, being without any other administrative remedy aside from the steps it had already taken as herein before stated, and <u>lest its right to claim refund might lapse before any action thereon is taken by respondent, is filing this petition for review pursuant to the provisions of Sec. 306 of the Internal Revenue Code</u> and the ruling in the case of *College of Oral and Dental Surgery vs. Court of Tax Appeals and Collector of Internal Revenue*, G.R. No. L-10446, Jan. 28, 1958; 54 Off. Gaz. 7055.'
>
> Respondents, thru the Office of the Solicitor General, presented on March 2, 1961, a Motion *(Ex-Parte)* for Extension of Time to File an Answer, to expire on April 3, 1961. On the latter date, however, the Solicitor General presented a Motion to Dismiss instead. The Motion, although stamped by the CTA on April 3, 1961, was postmarked April 18, 1961, and received by petitioner herein on April 21, 1961, six (6) days after the scheduled hearing on April 15.
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> <u>The motion to dismiss was based on the lack of jurisdiction of the CTA to take cognizance of the petition for review, it appearing in the recitals that there was no decision by either the Collector or Commissioner of Customs which should be reviewed;</u> for although there were formal requests for refund, both respondent officials failed to act thereon, one way or another. It was also intimated that even the former law governing the Board of Tax Appeals (forerunner of the CTA), which allowed review *motu proprio*, imposed as condition precedent that there be a decision first by the official concerned, without which there could be no review.
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> xxx xxx xxx

The appeal made available to an *importer* or person aggrieved by a decision or ruling of any *collector of customs* of the Philippines has 2 phases: *first*, the one provided for in Sec. 1380 of the Revised Adm. Code by which such party is given 15 days from receipt of the adverse ruling or decision of the Collector to give notice in writing to the latter signifying his desire to have the matter reviewed by the Commissioner of Customs, and the second, if still dissatisfied, his appeal could be projected to the Court of Tax Appeals pursuant to *Section* 7 of *Act 1125* by filing with said tribunal a petition within 30 days from receipt of notice of the *decision or ruling* sought to be reviewed. (Sampaguita Shoe v. Commissioner of Customs, etc., et al., 56 O.G. No. 23, pp. 4032 and 4037.)

That there is no decision or ruling by the Collector of Customs or Commissioner of Customs on the requests of appellant for refund, is abundantly clear from the very allegations in the petition. Pursuant, therefore, to the above ruling of this Court, the presentation of the Petition for Review with the CTA was premature, for as things stood then, there was nothing to review.

We cannot, by mere analogy, apply the interpretation given to Sec. 306 of the Internal Rev. Code to Sec. 7, par. 2 of Rep. Act No. 1125. Not only was the petition directed against the Customs officials, but it also appears that Sec. 306 has no counterpart in the Tariff and Customs Code. There is no statutory grant for importers claiming refund of duties to go directly to the CTA, without waiting the decision of the Collector of Customs or Commissioner of Customs. For one thing, the Collector or Commissioner may order the refund of the taxes in question, in which event a review would not be necessary.

Under appellant's second error, it claims that the CTA had no power to dismiss the petition for review *motu proprio*, citing *Manila Herald Pub. Co., et al. vs. Ramos, et al.*, G.R. No. L-4258, Jan. 18, 1951. The facts and issues therein, however, are entirely different from the ones at bar. Moreover, it is provided that whenever it appears that the court has no jurisdiction over the subject-matter, it shall dismiss the action (Sec. 2, Rule 9, New Rules). Courts are bound to take notice of the limits of their authority and they may, by their own motion, even though the question is not raised by the pleadings, or not even suggested by counsel, recognize the want of jurisdiction and act accordingly by staying pleadings, dismissing the action, or otherwise noticing the defect, at any stage of the proceedings (15 C. J. 852).

Having reached the above conclusions, the discussion of the last error becomes superfluous. There being want of jurisdiction, it matters not if the motion to dismiss was filed out of time or it was filed at all.

WHEREFORE, the resolution sought to be reviewed is hereby affirmed, without special pronouncement as to costs." *(Underscoring supplied)*

Secondly, Sections 1104, 1106, 1107, 1110, 1136 and 1137 of Republic Act No. (RA) 10863 or the Customs Modernization and Tariff Act (CMTA) expressly provide for the *review mechanisms* on rulings or decisions issued by the COC, District Collector or customs officer:

"TITLE XI

ADMINISTRATIVE AND JUDICIAL PROCEDURES

xxx xxx xxx

SEC. 1104. *Administrative and Judicial Appeals.* – An aggrieved party may, within thirty (30) days from receipt of an adverse ruling or decision, appeal the same to the CTA without prejudice to the authority of the Secretary of Finance to review decisions adverse to the government in accordance with Sections 1127 and 1128 of this Act, as the case may be.

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SEC. 1106. *Protest.* — When a ruling or decision of the District Collector or customs officer involving goods with valuation, rules of origin, and other customs issues is made, except the fixing of fines in seizure cases, the party adversely affected may appeal by way of protest against such ruling or decision by presenting to the Commissioner at the time when payment of the amount claimed to be due the government is made, or within fifteen (15) days thereafter, a written protest setting forth the objection to the ruling or decision in question and the reasons therefore.

Subject to the approval of the Secretary of Finance, the Commissioner shall provide such rules and regulations as to the requirement for payment or nonpayment of the disputed amount and in case of nonpayment, the release of the importation under protest upon posting of sufficient security.

SEC. 1107. *Protest Exclusive Remedy in Protestable Case.* — In all cases subject to protest, the interested party who desires to have the action of the District Collector reviewed, shall file a protest as provided in Section 1106 of this Act, otherwise the action of the District Collector shall be final and conclusive.

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

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SEC. 1136. *Review by the CTA.* – Unless otherwise provided in this Act or by any other law, the party aggrieved by the ruling or decisions of the Commissioner may appeal to the CTA, in the manner and within the period prescribed by law and regulations. Decisions of the Secretary of Finance when required by this Act, may likewise be appealed to the CTA.

Unless an appeal is made to the CTA in the manner and within the period prescribed by law and regulations, the ruling or decision of the Commissioner or the Secretary of Finance shall be final and executory.

> SEC. 1137. *Exclusive Jurisdiction of the Bureau.* – Jurisdiction over imported goods and goods for exportation shall be exclusive to the Bureau, or the Secretary of Finance, when under review by the latter, subject to the proceedings described in this title.
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> Except for the CTA, no court may issue any order or decision until all the remedies for administrative appeal have been exhausted." *(Underscoring supplied)*

Under these provisions, a taxpayer adversely affected by a District Collector's or customs officer's ruling on valuation issue may file a written protest with the COC at the time of payment or within fifteen (15) days thereafter. The COC is then mandated to render a decision within thirty (30) days from receipt of the protest. While an adverse decision by the COC may be appealed to the CTA within thirty (30) days of receipt, the CMTA remains *silent* on the remedy or procedure if the COC *fails to act* on the protest within the prescribed period.

Third, Section 7 of RA 1125, as amended by RA 9282, which enumerates the Court's *exclusive* appellate jurisdiction, also does *not* provide for an appeal from the COC's *inaction*:

> "SEC. 7. *Jurisdiction.* — The CTA shall exercise:
>
> (a) Exclusive appellate jurisdiction to review by appeal, as herein provided:
>
> (1) Decisions of the Commissioner of Internal Revenue in cases involving disputed assessments, refunds of internal revenue taxes, fees or other charges, penalties in relation thereto, or other matters arising under the National Internal Revenue Code or other laws administered by the Bureau of Internal Revenue;
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> (2) Inaction by the Commissioner of Internal Revenue in cases involving disputed assessments, refunds of internal revenue taxes, fees or other charges, penalties in relation thereto, or other matters arising under the National Internal Revenue Code or other laws administered by the Bureau of Internal Revenue, where the National Internal Revenue Code provides a specific period of action, in which case the inaction shall be deemed a denial;
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> xxx xxx xxx
>
> (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; *(Emphasis and underscoring added)*

Under this enumeration, the Court has exclusive appellate jurisdiction over both decisions and inactions of the Commissioner of Internal Revenue (CIR) involving disputed assessments, refunds of internal revenue taxes, fees or other charges, related penalties, or other matters arising under the National Internal Revenue Code or other laws administered by the Bureau of Internal Revenue (BIR).

Under the same enumeration, the Court also exercises exclusive appellate jurisdiction over decisions of the COC involving liability for customs duties, fees, or other charges; the seizure, detention, or release of property; fines, forfeitures, or related penalties; or other matters arising under the Customs Law or other laws administered by the BOC.

Unlike the provision governing the CIR, however, nothing in the law indicates that an *inaction* by the COC is appealable to the Court. Plainly, the law does *not* confer exclusive appellate jurisdiction upon the Court over inactions of the COC.

Here, the facts show that the COC had yet to render a decision on the taxpayer's protest when the latter appealed to the CTA. As reflected in its pleadings, the petitioner explicitly grounds its petitions before this Court on the COC's *inaction*:

> *Petition for Duty and Tax Refund:*
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> "4. That, despite of the fact of a palpable lapse of the intervening period, the herein Petitioner remain to be adversely affected by the shackles of the inaction of the Respondents on the disputed or questioned issues of duty/tax valuations or assessments, and on the demanded or claimed refund of the excessive charges of customs duty/tax upon the rice shipments of the Petitioner, not taking any action for just the request of the Petitioner, even just by way of a drawback or credit, adjustment, reduction, or abatement, neither even just by settlement or compromise; hence, substantially by such cause of the inaction of the Respondents, the Petitioner deems it fitting for now to file before this Honorable Court this Petition in pursuance to Rule 8 of the 2005 Revised Rules of the Court of Tax Appeals, as amended;"[62]
>
> *Amended Petition for Review of Protest and Appeal for Duty and Tax Refund:*
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> "7. That over a year now, Respondents have remained without taking any action on the disputed issues of duty and tax valuations or assessments, and on the demanded refund of the excess charges of customs duty and tax upon the rice shipments of the Petitioner. Such inaction adversely, unfairly, unjustly and unnecessarily affected the legitimate rights and interests of herein Petitioner. For such cause, the Petitioner deems it fitting to file before this Honorable Court this instant Petition in conformity with Rule 8 of the 2005 Revised Rules of the Court of Tax Appeals, as amended;"[63]

[62] Docket, p. 2.
[63] Docket, p. 21.

Fourth, petitioner's reliance on Rule 8 of the Revised Rules of the Court of Tax Appeals (RRCTA) is erroneous, as nothing therein authorizes the Court to take cognizance of cases involving *inactions* of the COC:

> "SEC. 3. *Who may appeal; period to file petition.* — (a) A party adversely affected by a decision, ruling <u>or the inaction</u> of the Commissioner of Internal Revenue on disputed assessments or claims for refund of internal revenue taxes, <u>or by a decision or ruling of the Commissioner of Customs</u>, the Secretary of Finance, the Secretary of Trade and Industry, the Secretary of Agriculture, or a Regional Trial Court in the exercise of its original jurisdiction may appeal to the Court by petition for review filed within thirty days after receipt of a copy of such decision or ruling, or expiration of the period fixed by law for the Commissioner of Internal Revenue to act on the disputed assessments. In case of the <u>inaction</u> of the Commissioner of Internal Revenue on claims for refund of internal revenue taxes erroneously or illegally collected, the taxpayer must file a petition for review within the two-year period prescribed by law from payment or collection of the taxes.
>
> xxx xxx xxx
>
> SEC. 4. *Where to appeal; mode of appeal.* — (a) An appeal from a decision or ruling or the <u>inaction of the Commissioner of Internal Revenue</u> on disputed assessments or claim for refund of internal revenue taxes erroneously or illegally collected, <u>the decision or ruling of the Commissioner of Customs</u>, the Secretary of Finance, the Secretary of Trade & Industry, the Secretary of Agriculture, and the Regional Trial Court in the exercise of their original jurisdiction, shall be taken to the Court by filing before it a petition for review as provided in Rule 42 of the Rules of Court. The Court in Division shall act on the appeal." *(Underscoring added)*

These RRCTA provisions, consistent with Republic Act No. 1125, as amended, refer exclusively to the *inactions* of the CIR. No corresponding provision addresses the *inactions* of the COC. Under both the CTA law and the CMTA, only the "decisions or rulings" of the COC are appealable to the Court.

While Section 1110 of the CMTA mandates that the COC "render a decision within thirty (30) days from receipt of the protest," this administrative deadline does *not* automatically vest the Court with jurisdiction over the COC's *inaction*.

Ultimately, because jurisdiction is conferred only by law,[64] it cannot be merely implied,[65] must appear clearly from the statute to exist,[66] and cannot be broadened based on doubtful inferences.[67] Absent a statutory grant, neither convenience nor assumed justice or propriety of the exercise thereof in a

[64] *Salvador v. Patricia, Inc.* G.R. No. 195834, November 9, 2016, Supreme Court *En Banc.*
[65] *Dimagiba v. Geraldez*, G.R. No. L-11395, January 31, 1958.
[66] *De Jesus v. Garcia*, G.R. No. L-26816, February 28, 1967, Supreme Court *En Banc.*
[67] *Id.*

particular class of cases "can justify the assumption of jurisdiction" by the courts.[68]

These fundamental principles apply with even greater force to the CTA, which, as a court of special and limited jurisdiction,[69] can only take cognizance of matters explicitly placed within its purview.

Had the legislature intended to subject the COC's inactions to the CTA's exclusive appellate jurisdiction, it could have *expressly* done so. By limiting appealable *inactions* solely to those of the CIR under Section 7 of Republic Act No. 1125, as amended, the legislature clearly manifested its intent to exclude the *inactions* of the COC from the Court's jurisdiction—*expressio unius est exclusio alterius.*

ACCORDINGLY, the *Amended Petition for Review of Protest and Appeal for Duty and Tax Refund* is **DISMISSED** for lack of jurisdiction.

SO ORDERED.

MA. BELEN M. RINGPIS-LIBAN
Presiding Justice

WE CONCUR:

MARIA ROWENA MODESTO-SAN PEDRO
Associate Justice

CORAZON G. FERRER-FLORES
Associate Justice

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[68] *Id.*
[69] *Ker & Co., Ltd. v. Court of Tax Appeals,* G.R. No. L-12396, January 31, 1962, Supreme Court *En Banc.*

CERTIFICATION

Pursuant to Article VIII, Section 13 of the Constitution, it is hereby certified that the conclusions in the above Decision were reached in consultation before the case was assigned to the writer of the opinion of the Court.

MA. BELEN M. RINGPIS-LIBAN
Presiding Justice