REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

EN BANC

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COMMISSIONER OF INTERNAL REVENUE,
Petitioner,

- versus -

THUNDERBIRD PILIPINAS HOTELS AND RESORTS, INC.,
Respondent.

CTA EB NO. 1981
(CTA Case No. 8612)

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THUNDERBIRD PILIPINAS HOTELS AND RESORTS, INC.,
Petitioner,

- versus -

COMMISSIONER OF INTERNAL REVENUE,
Respondent.

CTA EB NO. 1982
(CTA Case No. 8612)

Present:

DEL ROSARIO, P.J.,
CASTAÑEDA, JR.,
UY,
RINGPIS-LIBAN,
MANAHAN,
BACORRO-VILLENA, and
MODESTO-SAN PEDRO, JJ.

Promulgated:
MAY 19 2021 3:25pm

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JUDGMENT ON COMPROMISE AGREEMENT

UY, J.:

For the Court's resolution are the parties' *Joint Motion to Render Judgment Based on Compromise Agreement*[1] filed on February 21, 2020.

[1] EB Docket (CTA EB No. 1981) – Vol. 2, pp. 711 to 713.

Records show that *Petitions for Review* were separately filed by the Commissioner of Internal Revenue (CIR) and Thunderbird Pilipinas Hotels and Resorts, Inc. (TPHRI), docketed as CTA EB No. 1981 and CTA EB No. 1982, respectively. Both *Petitions* assail the Amended Decision dated September 6, 2018 and Resolution dated December 4, 2018 promulgated by the Second Division of this Court (Court in Division) in CTA Case No. 8612 entitled "*Thunderbird Pilipinas Hotels and Resorts, Inc. Petitioner, vs. Commissioner of Internal Revenue, Respondent*".

In the Minute Resolution[2] dated January 29, 2019, the Court *En Banc* ordered the consolidation of CTA EB No. 1982 with CTA EB No. 1981, the case bearing the lower docket number.

On February 7, 2019, TPHRI filed its *Comment/Opposition (Re: Petitioner's Petition for Review dated January 7, 2019)*[3] in CTA EB No. 1981.

In the Resolution[4] dated February 20, 2019, the Court *En Banc* ordered the CIR to submit a complete set of the duplicate original or certified true copy of the assailed Amended Decision and to file his comment on the *Petition for Review* in CTA EB No. 1982.

On March 12, 2019, the CIR filed its *Compliance*[5] submitting the certified true copy of the assailed Amended Decision.

On March 19, 2019, the Judicial Records Division of this Court issued a *Records Verification*[6] stating that the CIR failed to file his comment to the *Petition for Review* in CTA EB No. 1982.

Mediation Proceedings

On April 22, 2019, the Court referred the instant consolidated cases to mediation in the Philippine Mediation Center-Court of Tax Appeals (PMC-CTA) pursuant to Section II of the *Interim Guidelines for Implementing Mediation in the Court of Tax Appeals* (or Interim Guidelines), approved by the Supreme Court on January 18, 2011.[7]

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[2] EB Docket (CTA EB No. 1981) – Vol. 1, p. 76.
[3] EB Docket (CTA EB No. 1981) – Vol. 1, pp. 77 to 105.
[4] EB Docket (CTA EB No. 1981) – Vol. 2, pp. 579 to 582.
[5] EB Docket (CTA EB No. 1981) – Vol. 2, pp. 583 to 585.
[6] EB Docket (CTA EB No. 1981) – Vol. 2, p. 631.
[7] EB Docket (CTA EB No. 1981) – Vol. 2, pp. 633 to 635.

On July 9, 2019, a *Request for Extension*[8] was filed by the mediator, with the conformity of the parties, requesting an extension of thirty days from July 10, 2019 or until August 9, 2019, to give the parties additional time within which to reach an amicable settlement. The said *Request for Extension* was granted in the Resolution[9] dated July 26, 2019.

On August 8, 2019, the parties filed a *Joint Motion to Extend Mediation Proceedings*[10], requesting for an extension for another thirty (30) days from August 9, 2019 or until September 8, 2019. According to the parties, a draft *Compromise Agreement* was submitted by TPHRI to the CIR for approval.

In the Resolution[11] dated September 2, 2019, the Court denied the parties' *Joint Motion to Suspend Proceedings*; and gave the parties and the mediator a period of thirty (30) days from August 9, 2019 or until September 8, 2019, within which to submit to the Court the signed *Compromise Agreement* and the *Mediator's Report*.

On September 9, 2019, the parties filed a *Joint Motion to Extend Submission of Compromise Agreement*[12], praying for an extension of thirty (30) days from September 8, 2019 or until October 8, 2019, within which to submit the signed *Compromise Agreement*. The said *Joint Motion to Extend Submission of Compromise Agreement* was granted in the Resolution[13] dated October 1, 2019.

On October 22, 2019, the parties filed a *Manifestation/Joint Motion to Extend Submission of Compromise Agreement* stating that the *Compromise Agreement*[14] had been signed by the authorized signatory of TPHRI; and that the same was submitted to the CIR for his signature; and requesting for an extension for thirty (30) days from October 8, 2019 or until November 8, 2019[15], to submit the signed Compromise Agreement. The same was granted in the Resolution[16] dated November 7, 2019.

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[8] EB Docket (CTA EB No. 1981) – Vol. 2, p. 636.
[9] EB Docket (CTA EB No. 1981) – Vol. 2, pp. 638 to 639.
[10] EB Docket (CTA EB No. 1981) – Vol. 2, pp. 640 to 642.
[11] EB Docket (CTA EB No. 1981) – Vol. 2, pp. 644 to 647.
[12] EB Docket (CTA EB No. 1981) – Vol. 2, pp. 648 to 650.
[13] EB Docket (CTA EB No. 1981) – Vol. 2, pp. 656 to 657.
[14] EB Docket (CTA EB No. 1981) – Vol. 2, pp. 658 to 660.
[15] Thirty days from October 8, 2019 is November 7, 2019 and not November 8, 2019.
[16] EB Docket (CTA EB No. 1981) – Vol. 2, pp. 662 to 664.

The parties filed a *Manifestation/Joint Motion to Extend Submission of Compromise Agreement*[17] on November 8, 2019, stating that the *Compromise Agreement* has not yet been signed by the CIR; and praying for an extension of thirty (30) days from November 8, 2019 or until December 8, 2019 to submit the signed *Compromise Agreement.*

In the Resolution[18] dated November 22, 2019, the *Court En Banc* granted the parties' *Joint Motion to Extend Submission of Compromise Agreement,* giving the parties thirty (30) days from November 8, 2019 or until December 8, 2019, to submit the parties' signed *Compromise Agreement.*

On December 6, 2019, the parties filed a *Manifestation/Joint Motion to Extend Submission of Compromise Agreement*[19] stating that the parties are awaiting the full signatures on the *Compromise Agreement*; and requesting for an extension for thirty (30) days from December 8, 2019 or until January 8, 2020[20], to submit the signed *Compromise Agreement.*

In the Resolution[21] dated January 6, 2020, the Court *En Banc* directed the parties to submit a *Status Report* of the approval of the *Compromise Agreement* indicating the names of the National Evaluation Board (NEB) members whose signatures have not yet been obtained; and granted the parties a final period of thirty (30) days from December 8, 2019 or until January 7, 2020, to submit the parties' signed *Compromise Agreement.*

On January 8, 2020, the parties belatedly filed a *Manifestation/Joint Motion to Extend Submission of Compromise Agreement*[22] requesting for an extension of thirty (30) days from January 8, 2020 or until February 8, 2020, to submit the signed *Compromise Agreement.*

On January 17, 2020, the parties filed another *Manifestation/Joint Motion to Extend Submission of Compromise*

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[17] EB Docket (CTA EB No. 1981) – Vol. 2, pp. 665 to 667.
[18] EB Docket (CTA EB No. 1981) – Vol. 2, pp. 669 to 670.
[19] EB Docket (CTA EB No. 1981) – Vol. 2, pp. 671 to 673.
[20] Thirty days from December 8, 2019 is January 7, 2020 and not January 8, 2020.
[21] EB Docket (CTA EB No. 1981) – Vol. 2, pp. 675 to 677.
[22] EB Docket (CTA EB No. 1981) – Vol. 2, pp. 678 to 680.

Agreement[23] requesting for an extension for thirty (30) days from January 16, 2020 or until February 15, 2020, to submit the signed *Compromise Agreement* and *Status Report*.

In the Resolution[24] dated February 11, 2020, Court *En Banc* granted the parties' *Joint Motions to Extend Submission of Compromise Agreement* and directed the parties to submit the signed Compromise Agreement and Status Report, within thirty (30) days or until February 15, 2020.

On February 18, 2020, the parties belatedly filed a *Joint Manifestation*[25] stating that the *Compromise Agreement* was signed on February 14, 2020; and that the said *Compromise Agreement* was transmitted to the PMC-CTA on February 17, 2020.

On February 20, 2020, the PMC-CTA filed with the Court, the *Mediator's Report*[26] signed by (Ret.) Justice Oswaldo D. Agcaoili, stating that there has been a "Successful Settlement". Attached thereto, among others, are the following:

1. *Compromise Agreement* dated February 14, 2020[27], signed by Allee Lourdes T. Sun on behalf of Thunderbird Pilipinas Hotels and Resorts, Inc., and by respondent Commissioner of Internal Revenue (CIR) Caesar R. Dulay, and attested to by (Ret.) Justice Oswaldo D. Agcaoili.

2. *Secretary's Certificate*[28] dated July 16, 2019 stating that at the Special Meeting of TPHRI's Board of Directors held on June 10, 2019, TPHRI's President, Allee Lourdes T. Sun was authorized to represent the corporation;

3. Photocopies of BIR Forms No. 0605 and the corresponding, Filing Reference Forms and Payment Acknowledgement Receipts.[29]

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[23] EB Docket (CTA EB No. 1981) – Vol. 2, pp. 681 to 683.
[24] EB Docket (CTA EB No. 1981) – Vol. 2, pp. 685 to 687.
[25] EB Docket (CTA EB No. 1981) – Vol. 2, pp. 688 to 690.
[26] EB Docket (CTA EB No. 1981) – Vol. 2, p. 691.
[27] EB Docket (CTA EB No. 1981) – Vol. 2, pp. 700 to 702.
[28] EB Docket (CTA EB No. 1981) – Vol. 2, pp. 696 to 697.
[29] EB Docket (CTA EB No. 1981) – Vol. 2, pp. 703 to 710.

On February 21, 2020, the parties filed the instant *Joint Motion to Render Judgment Based on Compromise Agreement*[30], praying that the Court render judgment based on the *Compromise Agreement* and/or dismiss the consolidated *Petitions for Review* pending before this Court.

In the Resolution[31] dated March 12, 2020, the Court *En Banc* directed the parties to submit the (1) original or certified true copies of BIR Forms No. 0605, Filing Reference Forms and Payment Acknowledgement Receipts; (2) original or certified true copy of the *Certificate of Availment*; and (3) proof of approval of the *Compromise Settlement* by the majority of the members of the NEB, as well as the concurrence thereon by the CIR, within fifteen (15) days from notice. The Court likewise held in abeyance the resolution of the parties' *Joint Motion to Render Judgment Based on Compromise Agreement.*

On August 28, 2020, the parties filed a *Joint Manifestation*[32] submitting the certified true copies of BIR Forms No. 0605 with the corresponding Filing Reference Forms and Payment Acknowledgment Receipts[33]; and manifesting that the other required documents will be submitted by the CIR as soon as available.

In the Resolution[34] dated September 25, 2020, the Court *En Banc* directed the parties to submit the (1) original or certified true copy of the Certificate of Availment; and (2) proof of approval of the Compromise Settlement by the majority of the members of the NEB, as well as the concurrence thereon by the CIR, within fifteen (15) days from notice.

On October 23, 2020, the CIR filed a *Motion for Extension of Time to Submit the Required Documents*[35], praying for an additional period of sixty (60) days from October 23, 2020 or until December 22, 2020, to submit the required documents.

On November 9, 2020, TPHRI filed a *Manifestation/Compliance*[36], submitting the original copy of the

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[30] EB Docket (CTA EB No. 1981) – Vol. 2, pp. 711 to 713.
[31] EB Docket (CTA EB No. 1981) – Vol. 2, pp. 715 to 718.
[32] EB Docket (CTA EB No. 1981) – Vol. 2, pp. 719 to 721.
[33] EB Docket (CTA EB No. 1981) – Vol. 2, pp. 722 to 731.
[34] EB Docket (CTA EB No. 1981) – Vol. 2, pp. 734 to 736.
[35] EB Docket (CTA EB No. 1981) – Vol. 2, pp. 741 to 744.
[36] EB Docket (CTA EB No. 1981) – Vol. 2, pp. 746 to 748.

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Certificate of Availment[37] dated October 12, 2020 signed by Officer-in-Charge (OIC) Assistant Commissioner of Internal Revenue (ACIR) – Collection Service and Head of the Technical Working Group (TWG) on Compromise, Clavelina S. Nacar.

In the Resolution[38] dated November 26, 2020, the Court *En Banc* directed the parties to submit the (1) original or certified true copy of the signature page evidencing approval by the majority member of the NEB of the Compromise Settlement, with the concurrence of the CIR; and (2) proof of authority of OIC-ACIR Clavelina S. Nacar to sign the *Certificate of Availment*, within ten (10) days from notice.

On February 1, 2021, the Judicial Records Division of this Court issued a *Records Verification*[39] stating that the parties failed to comply with the Court's Resolution dated November 26, 2020.

Thereafter, on February 3, 2021, the CIR filed a *Compliance*[40] submitting the certified true copies of the (1) signature page[41] evidencing approval by the majority member of the NEB of the Compromise Settlement, with the concurrence of the CIR; and (2) Revenue Delegation Authority Order No. 6-2007[42], as proof of authority of OIC-ACIR Clavelina S. Nacar to sign the *Certificate of Availment.*

In the Resolution[43] dated March 1, 2021, the Court submitted the parties' *Joint Motion to Render Judgment Based on Compromise Agreement*[44] for resolution.

In summary, the following documents were submitted to the Court *En Banc*:

1. *Mediator's Report* dated February 20, 2020;

2. *Compromise Agreement* dated February 14, 2020, signed by Allee Lourdes T. Sun on behalf of Thunderbird Pilipinas

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[37] EB Docket (CTA EB No. 1981) – Vol. 2, p. 749.
[38] EB Docket (CTA EB No. 1981) – Vol. 2, pp. 751 to 753.
[39] EB Docket (CTA EB No. 1981) – Vol. 2, p. 754.
[40] EB Docket (CTA EB No. 1981) – Vol. 2, pp. 755 to 757.
[41] EB Docket (CTA EB No. 1981) – Vol. 2, p. 760.
[42] EB Docket (CTA EB No. 1981) – Vol. 2, pp. 761 to 764.
[43] EB Docket (CTA EB No. 1981) – Vol. 2, pp. 766 to 768.
[44] EB Docket – Vol. 2, pp. 711 to 713.

Hotels and Resorts, Inc., and by respondent Commissioner of Internal Revenue (CIR) Caesar R. Dulay, and attested to by (Ret.) Justice Oswaldo D. Agcaoili;

3. *Secretary's Certificate* dated July 16, 2019, as proof of authority of TPHRI's President, Allee Lourdes T. Sun to represent the corporation;

4. Certified true copies of BIR Forms No. 0605 with the corresponding *Filing Reference Forms* and *Payment Acknowledgment Receipts;*

5. *Certificate of Availment* dated October 12, 2020 signed by OIC-ACIR Clavelina S. Nacar;

6. Signature page evidencing approval by the members of the NEB of the Compromise Settlement, with the concurrence of the CIR; and

7. RDAO No. 6-2007[45], as proof of authority of OIC-Assistant Commissioner Clavelina S. Nacar to sign the *Certificate of Availment.*

Considering the submission of the above documents in support of the judicial compromise agreement, the Court finds merit in the parties' *Joint Motion to Render Judgment Based on Compromise Agreement*.

The *Compromise Agreement* reads as follows:

> **"COMPROMISE AGREEMENT**
>
> Undersigned parties, assisted by their respective counsels, THUNDERBIRD PILIPINAS HOTELS AND RESORTS, INC. ("TPHRI") as represented by its authorized representative, with principal office address at VOA Compound, Pennsylvania Ave., Poro Point Freeport Zone, San Fernando, La Union, and COMMISSIONER OF INTERNAL REVENUE ("Commissioner"), with principal address at BIR National Office Bldg., Diliman, Quezon City,

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[45] EB Docket – Vol. 2, pp. 761 to 764.

AGREE as follows:

WHEREAS, a dispute arose out of the Letter of Authority (LOA) No. 2008-00036937 dated July 15, 2009 issued by COMMISSIONER against TPHRI subjecting TPHRI to tax liabilities particularly Special Preferential Rate Tax (SPRT), Franchise Tax (FT), Expanded Withholding Tax (EWT), Final Withholding Tax (FWT) and Documentary Stamp tax (DST) for the calendar year 2008;

WHEREAS, the Court of Tax Appeals – Second Division promulgated the prevailing Amended Decision dated September 6, 2018 imposing tax liabilities against TPHRI as follows:

Type of Tax	Basic	Surcharge	Total
FT	₱43,353,088.40	₱10,838,272.10	₱54,191,360.50
EWT	627,796.60	156,949.01	784,745.61
TOTAL	**₱43,980,885.00**	**₱10,995,221.11**	**₱54,976,106.11**

WHEREAS, the prevailing Amended Decision is subject of the instant consolidated Petition for Review (appeal) before the Court of Tax Appeals *En Banc;*

WHEREAS, the present parties have agreed to accept mediation to avoid prolonged litigation, as authorized by A.M. No. 11-1-05-SC-PHILJA;

WHEREAS, the assistance of the assigned mediator resulted in making the parties realize the advantage of ending their dispute by agreeing upon a compromise;

NOW THEREFORE, the parties have agreed to the following terms and conditions:

1. TPHRI shall pay **FIFTY PERCENT (50%)** of the basic Franchise tax (FT) and **ONE HUNDRED PERCENT (100%)** of the basic Expanded Withholding Tax (EWT) awarded in the Amended Decision dated September 6, 2018 subject of the instant appeal amounting to a total of **PESOS: TWENTY TWO MILLION THREE HUNDRED FOUR THOUSAND**

THREE HUNDRED FORTY and 80/100 (₱22,304,340.80) ONLY broken down as follows:

Type of Tax	Basic	Compromise Tax Rate	Total
FT	₱43,353,088.40	50%	₱21,676,544.20
EWT	627,796.60	100%	627,796.60
TOTAL			**₱22,304,340.80**

2. TPHRI shall pay the total amount of **PESOS: TWENTY TWO MILLION THREE HUNDRED FOUR THOUSAND THREE HUNDRED FORTY and 80/100 (₱22,304,340.80)**, as full satisfaction of the 2008 tax assessment subject of the instant appeal subject to the approval of this Honorable Court;

3. Parties shall RELEASE, REMISE, AND DISCHARGE each other, including their directors, officers, employees, and agents as may be applicable, from any civil actions, which may arise out of or in connection with or in relation to the instant consolidated Petition for Review. BIR agrees that it will no longer assess TPHRI for deficiency FT and EWT for taxable year 2008.

IN WITNESS WHEREOF, the Parties hereto have mutually and voluntarily accept the above stipulations, and sign this Agreement, at Quezon City, on this ____ day of February 14, 2020 for the consideration and approval of the Honorable Court.

	(Signed)
THUNDERBIRD PILIPINAS HOTELS AND RESORTS, INC.	**COMMISSIONER OF INTERNAL REVENUE – HON. CAESAR R. DULAY**
Petitioner	Respondent

By:

(Signed)
ALLEE LOURDES T. SUN
Authorized Representative

ATTESTED:

(Signed)
(Ret.) Justice Oswaldo D. Agcaoili
Mediator"

Section 204 of the NIRC of 1997, as amended, authorizes the CIR to compromise the payment of any internal revenue tax, to wit:

> "SEC. 204. *Authority of the Commissioner to Compromise, Abate and Refund or Credit Taxes.* — **The Commissioner may —**
>
> (A) Compromise the payment of any internal revenue tax, when:
>
> (1) A reasonable doubt as to the validity of the claim against the taxpayer exists; or
>
> (2) The financial position of the taxpayer demonstrates a clear inability to pay the assessed tax.
>
> The compromise settlement of any tax liability shall be subject to the following minimum amounts:
>
> For cases of financial incapacity, a minimum compromise rate equivalent to ten percent (10%) of the basic assessed tax; and
>
> **For other cases, a minimum compromise rate equivalent to forty percent (40%) of the basic assessed tax.**
>
> **Where the basic tax involved exceeds One million pesos (P1,000,000) or where the settlement offered is less than the prescribed minimum rates, <u>the compromise shall be subject to the approval of the Evaluation Board which shall be composed of the Commissioner and the four (4) Deputy Commissioners."</u>** (Emphases and underscoring supplied)

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Relative to the foregoing provisions, Section 6 of Revenue Regulations (RR) No. 30-2002[46], as amended by RR No. 9-2013, states as follows:

> "SECTION. 6. *Approval of Offer of Compromise.* — Except for offers of compromise where the approval is delegated to the REB pursuant to the succeeding paragraph, **all compromise settlements within the jurisdiction of the National Office (NO) shall be approved by a majority of all the members of the NEB composed of the Commissioner and the four (4) Deputy Commissioners. All decisions of the NEB, granting the request of the taxpayer or favorable to the taxpayer, shall have the concurrence of the Commissioner**.
>
> xxx xxx xxx
>
> The compromise offer shall be paid by the taxpayer upon filing of the application for compromise settlement. No application for compromise settlement shall be processed without the full settlement of the offered amount. In case of disapproval of the application for compromise settlement, the amount paid upon filing of the aforesaid application shall be deducted from the total outstanding liabilities." (Emphases and underscoring supplied)

Based on the foregoing provisions, the CIR is vested with power to compromise the payment of any internal revenue tax. Moreover, where the basic tax involved exceeds ₱1,000,000.00 or where the settlement offered is less than the prescribed minimum rates, the compromise settlement is subject to the approval by a majority of all the members of the NEB [composed of the CIR and the four (4) Deputy Commissioners], with the CIR having concurred with the same.

Accordingly, for a compromise settlement falling within the jurisdiction of the NEB to be valid, it must be shown that the same is approved by a majority of all the members of the NEB with the

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[46] *Revenue Regulations Implementing Sections 7(c), 204(A) and 290 of the National Internal Revenue Code of 1997 on Compromise Settlement of Internal Revenue Tax Liabilities Superseding Revenue Regulations Nos. 6-2000 and 7-2001.*

concurrence of the CIR, and that there is a full settlement of the offered amount.

Upon review of the supporting documents submitted to this Court, the Court *En Banc* finds that TPHRI has fully settled the legally required amounts for compromise settlement, as shown in the certified true copies of BIR Forms No. 0605 with the corresponding *Filing Reference Forms* and *Payment Acknowledgment Receipts*[47] representing payments for deficiency franchise tax and expanded withholding tax.

The Court likewise notes that there is sufficient compliance with the legal requirements under Section 204 of the NIRC of 1997, as amended through the submission of the *Certificate of Availment*[48] dated October 12, 2020 and the signature page[49] evidencing approval by the majority of the members of the NEB, with the concurrence of the CIR.

In view thereof, the Court finds the parties' *Compromise Agreement* to be in order, as the same has been validly executed by the parties, and the terms and conditions specified therein are not contrary to law, morals, good customs, public order, and public policy.

A compromise is a contract whereby the parties, by making reciprocal concessions, avoid litigation or put an end to one already commenced.[50] It is an accepted and desirable practice in courts of law and administrative tribunals.[51] Settlement of disputes brought before the courts is, in fact, encouraged.[52]

Further, it is settled that contracting parties may establish such stipulations, clauses, terms and conditions as they may deem convenient, provided that these are not contrary to law, morals, good customs, public order, or policy.[53] Once a compromise agreement is given judicial approval, however, it becomes more than a contract

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[47] EB Docket (CTA EB No. 1981) – Vol. 2, pp. 722 to 731.
[48] EB Docket (CTA EB No. 1981) – Vol. 2, p. 749.
[49] EB Docket (CTA EB No. 1981) – Vol. 2, p. 760.
[50] Civil Code, Art. 2028.
[51] *Far East Bank and Trust Co., Trust and Investment Group, and FEB Investment Inc., vs. Trust Union Shipping Corp. et. al.,* G.R. No. 154716, September 16, 2008, citing *Philippine National Oil Company-Energy Development Corporation (PNOC-EDC) vs. Abella,* G.R. No. 153904, January 17, 2005.
[52] *Maria Sheila Almira T. Viesca vs. David Gilinsky*, G.R. No. 171698, July 4, 2007.
[53] Civil Code, Art. 1306.

binding upon the parties. Having been sanctioned by the court, it is entered as a determination of a controversy and has the force and effect of a judgment.[54]

WHEREFORE, in light of the foregoing considerations, the parties' *Joint Motion to Render Judgment Based on Compromise Agreement* filed on February 21, 2020 is hereby **GRANTED**. The *Compromise Agreement* dated February 14,2020, entered into by the parties is hereby **APPROVED** and this **Judgment on Compromise Agreement** is hereby rendered in accordance therewith. The parties are hereby enjoined to faithfully comply with all the terms and conditions of the aforesaid *Compromise Agreement.*

Accordingly, the instant consolidated cases are now deemed **CLOSED AND TERMINATED.**

SO ORDERED.

ERLINDA P. UY
Associate Justice

WE CONCUR:

ROMAN G. DEL ROSARIO
Presiding Justice

Juanito C. Castañeda, Jr.
JUANITO C. CASTAÑEDA, JR.
Associate Justice

MA. BELEN M. RINGPIS-LIBAN
Associate Justice

Catherine T. Manahan
CATHERINE T. MANAHAN
Associate Justice

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[54] *David M. David vs. Federico M. Paragas, Jr.,* G.R. No. 176973, February 25, 2015.

JEAN MARIE A. BACORRO-VILLENA
Associate Justice

MARIA ROWENA MODESTO-SAN PEDRO
Associate Justice

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 cases were assigned to the writer of the opinion of the Court.

ROMAN G. DEL ROSARIO
Presiding Justice