REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

SPECIAL THIRD DIVISION

PEOPLE OF THE PHILIPPINES,
Plaintiff-Appellant,

- versus -

DECARICH SUPERTRADE INC., FERNANDO B. LAWAS, AND ADELINE B. MANNGAS,
Accused-Appellee.

CTA Crim. Case No. A-20
(Crim. Case No. R-QZN-24-01217-CR)

Members:

REYES-FAJARDO, Acting Chairperson, and
ANGELES, *JJ.*

Promulgated:

JAN 20 2026
3:58 p.m.

x- -x

DECISION

REYES-FAJARDO, *J.*:

Impugned *via* Appeal are the Orders dated March 6, 2024[1] and April 5, 2024,[2] both issued by Branch 81 of the Regional Trial Court of Quezon City (RTC-QC), dismissing Crim. Case No. R-QZN-24-01217-CR for lack of jurisdiction.

FACTS

On February 15, 2024, an Information[3] was filed against Decarich Supertrade, Inc. (DSI), Fernando B. Lawas, and Adeline B. Manngas, charging them for violation of Section 255, in relation to Sections 253(d) and 256 of the 1997 National Internal Revenue Code

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1 RTC Record (Crim. Case No. R-QZN-24-01217-CV), pp. 216-217.
2 *Id.* at p. 240.
3 *Id.* at pp. 1-3.

(NIRC), as amended, docketed as Crim. Case No. R-QZN-24-01217-CR, raffled before RTC-QC. The accusatory portion of the Information reads:

> That on or about November 16, 2022, in Quezon City and within the jurisdiction of this Honorable Court, accused **DECARICH SUPERTRADE, INC.,** a domestic corporation registered with Revenue District Office No. 39 South Quezon City under Tax Identification No. 009-168-828-000, and accused **FERNANDO B. LAWAS and ADELINE B. MANNGAS,** being the President and Treasurer, respectively, of DECARICH SUPERTRADE, INC., a ghost corporation and who is required by law, rules and regulations to file a correct value-added tax return, in conspiracy with one another, did then and there knowingly, willfully and unlawfully fail to supply correct and accurate information in the said corporation's Third Quarter Value-Added Tax Return (QVATR) for taxable year 2021, by making it appear that the corporation have sales amounting to One Billion Eighty-Five Million Nine Thousand and Nine Hundred Ninety-Six Thousand Nine Hundred Forty-Four and 95/100 (Php1,084,796,944.95) Pesos, when in fact[,] the said corporation has not filed a Quarterly Summary List of Sales and Purchases for the year 2021 and the Summary List of Purchases in 2021 of all its buyers/customers from it (DECARICH SUPERTRADE, INC.) amounted to Ten Billion Ten Million Six Hundred Sixteen Thousand Eight Hundred Seventy-Nine and 89/100 (Php10,010,616,879.89) Pesos, to the damage and prejudice of the Government.

On March 6, 2024, RTC-QC issued an Order,[4] dismissing Crim. Case No. R-QZN-24-01217-CR, as follows:

> **WHEREFORE,** this case is **DISMISSED** without prejudice to its refiling to the appropriate court for lack of jurisdiction by this court.
>
> **SO ORDERED.**

RTC-QC reasoned that exclusive original jurisdiction over tax offenses, when the principal amount of taxes and fees, exclusive of charges and penalties is ₱1,000,000.00 or more, lies with the Court of Tax Appeals (CTA).

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4 *Supra* note 2.

On March 20, 2024, plaintiff-appellant filed its Formal Entry of Appearance with Motion for Reconsideration (To the Order dated March 6, 2024).[5]

By Order dated April 5, 2024, RTC-QC denied plaintiff-appellant's Motion for Reconsideration (To the Order dated March 6, 2024).[6]

On April 26, 2024, plaintiff-appellant posted its: (1) Notice of Appeal with RTC-QC;[7] and (2) Petition for Review[8] before the CTA in Division.

In view of plaintiff-appellant's notice of appeal, the Branch Clerk of Court of RTC-QC transmitted the RTC Record of Crim. Case No. R-QZN-24-01217-CR to the CTA in Division.[9]

On September 23, 2024, the Appellant's Brief[10] was filed. On other hand, accused-appellee failed[11] to file their Brief, despite notice.

On February 6, 2025, CTA Crim. Case No. A-20 was submitted for decision.[12]

ISSUE

Did RTC-QC err in dismissing Crim. Case No. R-QZN-24-01217-CR, for lack of jurisdiction?

ARGUMENT

Plaintiff-Appellant argues that RTC-QC blundered in junking Crim. Case No. R-QZN-24-01217-CR, for lack of jurisdiction.

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5 Plaintiff (now plaintiff-appellant)'s Formal Entry of Appearance with Motion for Reconsideration (To the Order dated March 6, 2024). RTC Record (Crim. Case No. R-QZN-24-01217-CV), pp. 219-238.

6 *Supra* note 3.

7 Docket (CTA Crim. Case No. A-20), pp. 44-47.

8 *Id.* at pp. 5-16.

9 Transmittal Letter dated July 9, 2024, prepared by Branch Clerk of Court V Atty. Patrick John B. Gotico. *Id.* at p. 68.

10 *Id.* at pp. 75-87.

11 Records Verification Report dated January 30, 2025. *Id.* at p. 140.

12 Minute Resolution dated February 6, 2025. *Id.*, unpaginated.

Particularly, since the Information in said case does not mention any tax as amount claimed, and that Section 255 of the NIRC, as amended, imposes a maximum penalty of ten (10) years of imprisonment, RTC-QC possess jurisdiction over said case.

RULING

The Appeal is impressed with merit.

First. Was jurisdiction acquired over CTA Crim. Case No. A-20?

Yes.

Section 7(b)(2)(a) of Republic Act (RA) No. 1125, as amended by RA No. 9282, recognizes the CTA's exclusive appellate jurisdiction over, *inter alia,* appeals from the RTC's orders in criminal tax cases originally decided by them:

> Sec. 7. Jurisdiction. - The CTA shall exercise:
>
> ...
>
> b. Jurisdiction over cases involving criminal offenses as herein provided:
>
> ...
>
> 2. Exclusive appellate jurisdiction in criminal offenses:
>
> a. Over appeals from the judgments, resolutions[,] or orders of the Regional Trial Courts in tax cases originally decided by them, in their respected territorial jurisdiction.

Section 3(b)(2), Rule 4 of the Revised Rules of the Court of Tax Appeals (RRCTA) clarified that the CTA in Division has jurisdiction over appeals from the RTC's orders in criminal tax cases originally decided by them:

> SECTION 3. *Cases Within the Jurisdiction of the Court in Divisions.* — The Court in Divisions shall exercise:
>
> ...

> (b) Exclusive jurisdiction over cases involving criminal offenses, to wit:
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> ...
>
> (2) Appellate jurisdiction over appeals from the judgments, resolutions or orders of the Regional Trial Courts in their original jurisdiction in criminal offenses arising from violations of the National Internal Revenue Code or Tariff and Customs Code and other laws administered by the Bureau of Internal Revenue or Bureau of Customs, where the principal amount of taxes and fees, exclusive of charges and penalties, claimed is less than one million pesos or where there is no specified amount claimed;

Before the CTA in Division may entertain the aggrieved party's appeal from tax criminal cases decided or ruled by the RTC in the exercise of its original jurisdiction, Section 9,[13] Rule 9 of the RRCTA commands that a notice of appeal must be filed before the RTC which rendered the final judgment or order appealed from, within fifteen (15) days from receipt thereof. Additionally, the same provision directs the service of said notice upon the adverse party.

As averred[14] by plaintiff-appellant, on April 12, 2024, it received RTC-QC's impugned Order dated April 5, 2024. Counting fifteen (15) days from April 12, 2024, plaintiff-appellant had until April 29, 2024[15] to file its notice of appeal before RTC-QC. *Ergo*, plaintiff-appellant's timely posting[16] of its Notice of Appeal on April 26, 2024 endowed Us with jurisdiction over CTA Crim. Case No. A-20.

Second. Did RTC-QC err in dismissing Crim. Case No. R-QZN-24-01217-CR for lack of jurisdiction?

Yes.

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13 SECTION 9. *Appeal; Period to Appeal.* — (a) An appeal to the Court in criminal cases decided by a Regional Trial Court in the exercise of its original jurisdiction shall be taken by filing a notice of appeal pursuant to Sections 3(a) and 6, Rule 122 of the Rules of Court within fifteen days from receipt of a copy of the decision or final order with the court which rendered the final judgment or order appealed from and by serving a copy upon the adverse party. The Court in Division shall act on the appeal.

14 Par. 6, Petition for Review. Docket (CTA Crim. Case No. A-20), p. 6.

15 The 15th day, *i.e.*, April 27, 2024, for plaintiff-appellant to file a notice of appeal fell on a Saturday.

16 Registry Receipts found on plaintiff-appellant's Notice of Appeal. RTC Record (Crim. Case No. R-QZN-24-01217-CV), p. 298.

Section 7(b)(1) of RA No. 1125, as amended by RA No. 9282, provides:

> Sec. 7. Jurisdiction. - The CTA shall exercise:
>
> ...
>
> b. Jurisdiction over cases involving criminal offenses as herein provided:
>
> ...
>
> 1. Exclusive original jurisdiction over all criminal offenses arising from violations of the National Internal Revenue Code or Tariff and Customs Code and other laws administered by the Bureau of Internal Revenue or the Bureau of Customs: **Provided, however, That offenses or felonies mentioned in this paragraph where the principal amount of taxes and fees, exclusive of charges and penalties, claimed is less than One million pesos (P1,000,000.00) or where there is no specified amount claimed shall be tried by the regular Courts and the jurisdiction of the CTA shall be appellate.** ...[17]

Section 7(b)(1) of RA No. 1125, as amended by RA No. 9282, is unequivocal—regular courts have original jurisdiction over a tax offense if: (a) the principal amount of taxes and fees, exclusive of charges and penalties being claimed is less than ₱1,000,000.00; **or** (b) there is no specified amount claimed.[18] As to which regular court has *exclusive* original jurisdiction over these two (2) types of tax offense, jurisprudence, along with the maximum imposable penalty inscribed in our statute books must be consulted.

For one, People v. Mendez[19] ordained that if the principal amount of taxes and fees, exclusive of charges and penalties being claimed in a tax offense is less than ₱1,000,000.00, exclusive original jurisdiction lies with the first-level courts.

For another, if there is no specified amount of principal taxes and fees claimed, Section 32(2)[20] of Batas Pambansa Blg. 129 (BP 129),

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17 Boldfacing ours.

18 See *People v. Mendez*, G.R. Nos. 208310-11, March 28, 2023.

19 *Supra* note 18.

20 Sec. 32. *Jurisdiction of Metropolitan Trial Courts, Municipal Trial Courts and Municipal Circuit Trial Courts in Criminal Cases.* - Except in cases falling within the exclusive original jurisdiction of Regional Trial Courts and of the Sandiganbayan, the Metropolitan Trial Courts, Municipal Trial Courts, and Municipal Circuit Trial Courts shall exercise:

...

as amended, provides that first-level courts have exclusive original jurisdiction over offenses punishable by imprisonment of not more than six (6) years, without regard to the fine. On the other hand, Section 20[21] thereof states that second-level courts have exclusive original jurisdiction over offenses punishable with imprisonment exceeding six (6) years, irrespective of the amount of fine.[22]

Relatedly, *Foz, Jr. v. People*[23] conveyed that "[t]he jurisdiction of a court over the criminal case is determined by the allegations in the complaint or information. And once it is so shown, the court may validly take cognizance of the case."

Here, the Information[24] in Crim. Case No. R-QZN-24-01217-CR, filed before RTC-QC states:

> That on or about November 16, 2022, in Quezon City and within the jurisdiction of this Honorable Court, accused **DECARICH SUPERTRADE, INC.,** a domestic corporation registered with Revenue District Office No. 39 South Quezon City under Tax Identification No. 009-168-828-000, and accused **FERNANDO B. LAWAS and ADELINE B. MANNGAS,** being the President and Treasurer, respectively, of DECARICH SUPERTRADE, INC., a ghost corporation and who is required by law, rules and regulations to file a correct value-added tax return, in conspiracy with one another, did then and there knowingly, willfully and unlawfully fail to supply correct and accurate information in the said corporation's Third Quarter Value-Added Tax Return (QVATR) for taxable year 2021, by making it appear that the corporation have sales amounting to One Billion Eighty-Five Million Nine Thousand and Nine Hundred Ninety-Six Thousand Nine Hundred Forty-Four and 95/100 (Php1,084,796,944.95) Pesos, when in fact[,] the said corporation has not filed a Quarterly Summary List of Sales and Purchases for the year 2021 and the

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(2) **Exclusive original jurisdiction over all offenses punishable with imprisonment not exceeding six (6) years irrespective of the amount of fine,** and regardless of other imposable accessory or other penalties, including the civil liability arising from such offenses or predicated thereon, irrespective of kind, nature, value or amount thereof: *Provided, however,* That in offenses involving damage to property through criminal negligence, they shall have exclusive original jurisdiction thereof. (Boldfacing ours)

21 Section 20. *Jurisdiction in criminal cases.* — Regional Trial Courts shall exercise exclusive original jurisdiction in all criminal cases not within the exclusive jurisdiction of any court, tribunal or body, except those now falling under the exclusive and concurrent jurisdiction of the Sandiganbayan which shall hereafter be exclusively taken cognizance of by the latter.

22 See *Asistio v. People, et al.,* G.R. No. 200465, April 20, 2015.

23 G.R. No. 167764, October 9, 2009.

24 *Supra* note 3.

> Summary List of Purchases in 2021 of all its buyers/customers from it (DECARICH SUPERTRADE, INC.) amounted to Ten Billion Ten Million Six Hundred Sixteen Thousand Eight Hundred Seventy-Nine and 89/100 (Php10,010,616,879.89) Pesos, to the damage and prejudice of the Government.

What we can refract therefrom is the ***absence*** of specific amount of principal taxes being claimed by the government from accused-appellee. To be precise, plaintiff-appellant seeks to hold accused-appellee criminally liable for DSI's alleged failure to supply and correct information in its QVATR by representing that it had sales worth ₱1,084,796,944.95, whereas DSI: (1) failed to file its quarterly summary list of sales and purchases; and (2) the 2021 summary list of purchases from all its buyers/customers amounted to ₱10,010,616,879.89. Therefore, regular courts have original jurisdiction.

Considering that willful failure to supply correct and accurate information in Section 255 of the NIRC, as amended, carries a maximum imposable penalty of ten (10) years of imprisonment,[25] exclusive original jurisdiction over Crim. Case No. R-QZN-24-01217-CR lies with RTC-QC.

Third. In justifying the dismissal made, RTC-QC said that exclusive original jurisdiction over tax offenses, when the principal amount of taxes and fees, exclusive of charges and penalties is ₱1,000,000.00 or more, lies with the CTA.

RTC-QC is confused.

The exclusive original jurisdiction of the CTA over tax criminal cases invoked by RTC-QC would come into play, when the amount of taxes and fees (exclusive of charges and penalties) being claimed is

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[25] SEC. 255. *Failure to File Return, Supply Correct and Accurate Information, Pay Tax Withhold and Remit Tax and Refund Excess Taxes Withheld on Compensation.* - Any person required under this Code or by rules and regulations promulgated thereunder to pay any tax make a return, keep any record, or supply correct and accurate information, who **willfully fails to** pay such tax, make such return, keep such record, or **supply correct and accurate information**, or withhold or remit taxes withheld, or refund excess taxes withheld on compensation, at the time or times required by law or rules and regulations shall, in addition to other penalties provided by law, upon conviction thereof, **be punished by** a fine of not less than Ten thousand pesos (P10,000) and **suffer imprisonment of not less than one (1) year but not more than ten (10) years.** (Emphasis ours)

at least ₱1,000,000.00. However, sifting through the Information in Crim. Case No. R-QZN-24-01217-CR would reveal that the government made no such claim for taxes and fees in said case.

WHEREFORE, plaintiff-appellant's Appeal in CTA Crim. Case No. A-20, posted on April 26, 2024, is **GRANTED**. Accordingly, We **RESOLVE** to:

a. **REVERSE** the Orders dated March 6, 2024 and April 5, 2024, issued by Branch 81 of the Regional Trial Court of Quezon City in Crim. Case No. R-QZN-24-01217-CR; and

b. **REMAND** Crim. Case No. R-QZN-24-01217-CR to Branch 81 of the Regional Trial Court of Quezon City, for continuance of proceedings in said case with utmost dispatch.

SO ORDERED.

Marian Ivy F. Reyes-Fajardo
MARIAN IVY F. REYES-FAJARDO
Associate Justice

I CONCUR:

HENRY S. ANGELES
Associate Justice

ATTESTATION

I attest 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's Division.

Marian Ivy F. Reyes-Fajardo
MARIAN IVY F. REYES-FAJARDO
Associate Justice
Acting Chairperson, Special Third Division

CERTIFICATION

Pursuant to Article VIII, Section 13 of the Constitution, and the Division Chairperson's Attestation, 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's Division.

Ma. Belen

MA. BELEN M. RINGPIS-LIBAN
Presiding Justice