REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

EN BANC

COMMISSIONER OF CUSTOMS, Petitioner,	**CTA EB NO. 2782** (CTA Case No. 9883)
	Present:
- versus -	**DEL ROSARIO, *P.J.*, RINGPIS-LIBAN, MANAHAN, BACORRO-VILLENA, MODESTO-SAN PEDRO, REYES-FAJARDO, CUI-DAVID, FERRER-FLORES,** *and* **ANGELES, *JJ.***
GLOBE TELECOM, INC., Respondent.	Promulgated: JUN 23 2025 3:21pm

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RESOLUTION

FERRER-FLORES, J.:

For resolution is petitioner's **Motion for Reconsideration (of the Honorable Court's Decision dated November 14, 2024)** filed via registered mail on December 3, 2024 and received by the Court on December 10, 2024,[1] with respondent's **Comment on the Motion for Reconsideration dated December 2, 2024** filed on January 30, 2025.

Petitioner seeks the reversal of this Court's Decision dated November 14, 2024 (assailed Decision), which denied his *Petition for Review* and read as follows:

[1] *Rollo* pp. 214 to 241.

> **WHEREFORE,** premises considered, the instant **Petition for Review** is **DENIED** for lack of merit. The assailed Decision dated March 7, 2023 and the assailed Resolution dated June 27, 2023 rendered by the First Division of this Court in CTA Case No. 9883 are **AFFIRMED.**
>
> **SO ORDERED.**

In his *Motion*, petitioner claims that the Court *En Banc* erred in ruling that respondent was able to counter the *prima facie* evidence of fraud. He avers that the Honorable Court *En Banc* should have considered the testimonies of respondent's witnesses, Ms. Sheila Cantos and Mr. Frederick Simbulan, which undeniably show that there was a fraudulent misdeclaration of the subject shipment. According to petitioner, respondent cannot claim good faith regarding the misdeclaration of the subject shipment as evidence showed that it actively participated in the subject transaction or shipment when it constantly communicated with the supplier concerning its shipment. Petitioner maintains that respondent is completely aware of the fraudulently misdeclared shipment. Lastly, petitioner asserts that respondent cannot shift the blame unto its suppliers over which Courts have no jurisdiction.

Respondent, on the other hand, contends that the *Motion for Reconsideration* should be denied outright for merely rehashing the arguments that he raised in his *Petition* and other prior submissions before the Honorable Court *En Banc* and the First Division of this Court. It further posits that the Honorable Court *En Banc* correctly dismissed the *Petition*, and there is no compelling reason to reverse the Division Decision and Division Resolution. Respondent argues that it did not commit any fraudulent misdeclaration and was able to controvert the *prima facie* evidence of fraud. Moreover, its lack of participation in the preparation of the shipping documents is a defense against the seizure and forfeiture of the subject shipment. Finally, respondent maintains that, since petitioner illegally seized and forfeited the subject shipment, it should be allowed to offer settlement by redemption.

Petitioner's *Motion* is bereft of merit.

A reading of petitioner's *Motion* shows that the arguments therein are substantially identical to those raised in his *Petition for Review* filed before the Court *En Banc*, and in his *Motion for Reconsideration* and *Memorandum* filed before the Court in Division. Petitioner reiterates the very same legal contentions and factual issues that have already been considered by the Court *En Banc* in the assailed Decision and by the Court in Division.

As aptly discussed in the assailed Decision, respondent was able to present contrary evidence to show the non-existence of fraud. Affirming the findings of the Court in Division, it held that the staff of Alcatel Shanghai Bell (ASB) was negligent in counterchecking and matching the list of items contained in the purchase order of respondent against the final list of items declared in the invoices and general packing list prepared by the shipper before making the actual shipment. This Court agreed with the findings of the Court in Division when it gave weight to the testimony of respondent's witness, Mr. Jianfeng Ding, stating that there is no direct communication between respondent and ASB relative to such shipment and the documents are being sent by the latter to Nokia Shanghai Bell Philippines.

While petitioner found discrepancies in the amount of respondent's actual shipment and the amount respondent declared in its shipping documents, respondent was able to refute said allegation, through the testimony of Mr. Ding, the representative of ASB, affirming that respondent had no participation in the preparation of the documentary requirements relative to the shipment.

In the assailed Decision, this Court emphasized that it was ASB who explained to BOC the reason with regard to the discrepancies between the shipping documents and the actual shipment; thus, the inadvertence was attributable to ASB and not respondent. Clearly, respondent was able to counter the *prima facie* evidence of fraud.

Moreover, the Court *En Banc* affirmed the Court in Division's findings that the importer may be able to redeem the shipment if there is no fraud attributable.

At the risk of being repetitive, the Court reiterates Customs Administrative Order (CAO) No. 001-20 which defined misdeclaration as the false, untruthful, erroneous or inaccurate declaration as to quantity, quality, description, weight or measurement of the goods resulting in deficiency between the duty and tax that should have been paid and the duty and tax actually paid; and/or to avoid compliance with government regulations related to the entry of Regulated, Prohibited or Restricted goods into Philippine customs territory.[2]

In connection therewith, Section 6 of CAO No. 001-20 provides that a discrepancy amounting to more than 30% of the duty and tax to be paid between what is legally determined and what is declared shall constitute a

[2] SUBJECT: Fines and Surcharges for Clerical Errors, Misdeclaration, Misclassification and Undervaluation, December 20, 2019.

prima facie evidence of fraud in case of misdeclaration, misclassification or undervaluation. Moreover, such misdeclared, misclassified and undervalued goods shall be subject to seizure proceedings pursuant to Section 1113 of the CMTA.[3]

This Court held that, indeed, there is *prima facie* evidence of fraud and the shipment may be subject of seizure proceedings. However, Section 1124 of the CMTA[4] provides that the settlement of any seizure case by payment of fine or redemption of forfeited goods shall only not be allowed when there is fraud, or where the importation is prohibited or the release of the goods is contrary to law. Moreover, Section 14.4 of CAO No. 010-20[5] allows the settlement of forfeiture cases with the approval of the Commissioner or on appeal with his acceptance. Settlement by redemption shall be made by paying the redeemed value equivalent to 100% of the Total Landed Cost and is, however, **only** allowed when there is no fraud attributable to the importer, consignee or owner. Thus, in the absence of the findings of fraud by both the Court in Division and the Court *En Banc*, redemption is allowed such as in the instant case.

Based on the foregoing, the importer such as petitioner in this case, may be able to redeem the shipment as there is no fraud attributable.

In sum, there being no new issues or substantial arguments raised in the instant *Motion*, this Court finds no compelling reason to disturb or overturn the assailed *Decision*.

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3 Section 1113 of the CMTA refers to properties subject to seizure and forfeiture.

4 SECTION 1124. *Settlement of Pending Seizure Case by Payment of Fine or Redemption of Forfeited Goods.* — Subject to the approval of the Commissioner, the District Collector may allow the settlement by payment of fine or the redemption of forfeited goods, during the course of the forfeiture proceeding. However, the Commissioner may accept the settlement by redemption of any forfeiture case on appeal. **No settlement by payment of fine shall be allowed when there is fraud** or when the discrepancy in duties and taxes to be paid between what is determined and what is declared amounts to more than thirty percent (30%).

In case of settlement by payment of fine, the owner, importer, exporter, or consignee or agent shall offer to pay a fine equivalent to thirty percent (30%) of the landed cost of the seized goods. In case of settlement by redemption, the owner, importer, exporter, or consignee or agent shall offer to pay the redeemed value equivalent to one hundred percent (100%) of the landed cost.

Upon payment of the fine or payment of the redeemed value, the goods shall be released and all liabilities which may attach to the goods shall be discharged without prejudice to the filing of administrative or criminal case.

Settlement of any seizure case by payment of the fine or redemption of forfeited goods shall not be allowed when there is fraud, or where the importation is prohibited or the release of the goods is contrary to law. (Emphasis ours)

5 Subject: Seizure and Forfeiture Proceedings and Appeals Process, May 11, 2020.

WHEREFORE, premises considered, petitioner's **Motion for Reconsideration (of the Honorable Court's Decision dated November 14, 2024)** is hereby **DENIED** for lack of merit.

SO ORDERED.

CORAZON G. FERRER-FLORES
Associate Justice

WE CONCUR:

ROMAN G. DEL ROSARIO
Presiding Justice

MA. BELEN M. RINGPIS-LIBAN
Associate Justice

CATHERINE T. MANAHAN
Associate Justice

JEAN MARIE A. BACORRO-VILLENA
Associate Justice

MARIA ROWENA MODESTO-SAN PEDRO
Associate Justice

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

LANEE S. CUI-DAVID
Associate Justice

HENRY S. ANGELES
Associate Justice