

**REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY**

EN BANC

TECHNIRAIL, S.A. – PHILIPPINE BRANCH,
Petitioner,

C.T.A. EB No. 301
(C.T.A. Case Nos. 6638)

-versus-

Present:
Acosta, P.J.
Castañeda, Jr.,
Bautista,
Uy,
Casanova, and
Palanca-Enriquez, JJ.

COMMISSIONER OF INTERNAL REVENUE,
Respondent.

Promulgated:

OCT 30 2007

GR Apolinario

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RESOLUTION

UY, J:

Records show that on August 9, 2007, the Court *en banc* issued a Resolution ordering petitioner to submit the appropriate document authorizing a certain Dan Stephen C. Palami to act for and in behalf of the petitioner, in filing the instant Petition for Review before this Court. Thereafter, upon numerous motions of petitioner, the Court *en banc* allowed petitioner to submit the required authorization until September 24, 2007.

Notwithstanding the fact that petitioner was already granted a period of more than two (2) months from August 9, 2007 within which to comply with the aforesaid order, petitioner still failed to do so. Consequently, We are constrained to rule that petitioner has no legal authority to appeal the Decision and Resolution promulgated on March 9, 2007 and July 4, 2007, respectively, in CTA Case No. 6638 before the Court *en banc*.

UY

In *San Pablo Manufacturing Corporation vs. Commissioner of Internal Revenue*,¹ the Supreme Court ruled that a corporation may exercise the powers expressly conferred upon it by the Corporation Code and those that are implied by or are incidental to its existence through its board of directors and/or duly authorized officers and agents. **Hence, physical acts, like the signing of documents, can be performed only by natural persons duly authorized for the purpose by corporate by-laws or by specific act of the board of directors. In the absence of authority from the board of directors, no person, even the officers of the corporation, can bind the corporation.**²

In addition, it is imperative to emphasize that a *power of attorney* is an instrument in writing by which one person, as principal, appoints another as his agent and confers upon him the authority to perform certain specified acts or kinds of acts on behalf of the principal,³ the primary purpose of which is not to define the authority of the agent as between himself and his principal but **to evidence the authority of the agent to third parties within whom the agent deals.**⁴

Applying the foregoing principles in the case at bench, considering that the alleged Country Manager, Dan Stephen C. Palami, of petitioner was purportedly acting for the corporation, necessarily, he must present specific authority from petitioner's board of directors to institute the instant petition and execute the required verification and certification attached thereto. Only then would his actions be legally binding on the petitioner-corporation. However, such resolution or any other documentary proof of authority is lacking in the present case.

¹ 492 SCRA 192, 197 (2006).

² Ibid., citing BPI Leasing Corporation vs. Court of Appeals, 416 SCRA 4 (2003) and Public Estates Authority vs. Uy, 371 SCRA 180 (2001). (*Emphasis Ours*)

³ De Leon and De Leon, Jr., Comments on Partnership, Agency and Trusts, 5th Ed., p. 401.

⁴ Ibid. (*Emphasis Ours*)

Consequently, We find that the verification and certification of non-forum shopping attached to the Petition for Review filed on July 27, 2007 was signed by a person who has no legal authority to represent the petitioner-corporation.

WHEREFORE, the instant Petition for Review is hereby **DISMISSED** for failure of petitioner's Country Manager, Dan Stephen C. Palami, to present appropriate authority to appeal before this Court the Decision dated March 9, 2007 and Resolution dated July 4, 2007 in CTA Case No. 6638.

SO ORDERED.



ERLINDA P. UY
Associate Justice

WE CONCUR:



ERNESTO D. ACOSTA
Presiding Justice



JUANITO C. CASTAÑEDA, JR.
Associate Justice



LOVELL R. BAUTISTA
Associate Justice



CAESAR A. CASANOVA
Associate Justice



OLGA PALANCA-ENRIQUEZ
Associate Justice

