

REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

EN BANC

COMMISSIONER OF
INTERNAL REVENUE,
Petitioner,

CTA EB NO. 3349
(CTA Case No. 10936)

Present:

-versus-

RINGPIS-LIBAN, P.J.,
BACORRO-VILLENA,
MODESTO-SAN PEDRO,
REYES-FAJARDO,
CUI-DAVID,
FERRER-FLORES,
ANGELES,
TESTON, and
CENTENO-DIJAMCO, JJ.

HAWORTH FURNITURE
(PHILIPPINES) INC.,
Respondent,

Promulgated:

AUG 25 2026

X- - - - - X

RESOLUTION

CUI-DAVID, J.:

In the Resolution dated May 6, 2026, the Court directed petitioner to submit: (1) the original/certified true copies of the Special Third Division's Decision dated December 5, 2025, and Resolution dated March 17, 2026; and (2) proof of deputization of his counsel from the Office of the Solicitor General (OSG).

On May 18, 2026, petitioner filed a *Compliance* submitting copies of Revenue Memorandum Circular (RMC) No. 25-2010,¹ the Memorandum of Agreement (MOA) between the Bureau of Internal Revenue (BIR) and the OSG dated March 17, 2010, and Revenue Administrative Order (RAO) No. 3-2014.²

¹ Publishing the Text of the Memorandum of Agreement between the Bureau of Internal Revenue (BIR) and the Office of the Solicitor General. March 17, 2010.
² ORGANIZATION AND FUNCTIONS OF THE REGIONAL OFFICES, ITS DIVISIONS & SECTIONS AND REVENUE DISTRICT OFFICES. November 5, 2014.

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It is well-settled that the authority to represent the State in appeals before the Court is vested in the OSG, which is the principal law officer and legal defender of the government.³ Book IV, Title III, Chapter 12 of Executive Order No. 292 or the Administrative Code of 1987, defines the OSG's authority to represent the Government and its agencies and instrumentalities in court proceedings, particularly in civil actions where the Government or its officers, in their official capacity, are parties, viz.:

SEC. 35. *Powers and Functions.* — The Office of the Solicitor General shall represent the Government of the Philippines, its agencies and instrumentalities and its officials and agents in any litigation, proceeding, investigation or matter requiring the services of a lawyer. When authorized by the President or head of the office concerned, it shall also represent government-owned or controlled corporations. The Office of the Solicitor General shall constitute the law office of the Government and, as such, shall discharge duties requiring the services of lawyers. It shall have the following specific powers and functions:

(1) Represent the Government in the Supreme Court and the Court of Appeals in all criminal proceedings; **represent the Government and its officers in the Supreme Court, the Court of Appeals, and all other courts or tribunals in all civil actions and special proceedings in which the Government or any officer thereof in his official capacity is a party.**

. . . .

(8) **Deputize legal officers of government departments, bureaus, agencies and offices to assist the Solicitor General and appear or represent the Government in cases involving their respective offices, brought before the courts, and exercise supervision and control over such legal Officers with respect to such cases.** (Emphasis supplied)

The OSG is likewise empowered to deputize legal officers of government departments, bureaus, agencies and offices to assist it in representing the government.⁴

³ Sec. 2 of Executive Order No. 300 dated July 26, 1987 states:

SEC. 2. **The Office of the Solicitor General shall be headed by the Solicitor General, who is the principal law Officer and legal defender of the Government.** He shall have the authority and responsibility for the exercise of the Office's mandate and for the discharge of its duties and functions, and shall have supervision and control over the Office of its constituent units. The Solicitor General, who shall be appointed by the President, shall have the same qualifications for appointment, rank, prerogatives, and privileges as those of the Presiding Justice of the Court of Appeals. (Emphasis supplied).

⁴ *Province of Occidental Mindoro v. Agusan Petroleum and Mineral Corp.*, G.R. No. 248932, January 14, 2025 [Per J. Leonen, *En Banc*].

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Meanwhile, Section 220 of the National Internal Revenue Code (NIRC) of 1997, as amended, provides that BIR's legal officers shall conduct civil and criminal actions and proceedings instituted on behalf of the Government, thus:

SEC. 220. *Form and Mode of Proceeding in Actions Arising under this Code.* - **Civil and criminal actions and proceedings instituted in behalf of the Government** under the authority of this Code or other law enforced by the Bureau of Internal Revenue shall be brought in the name of the Government of the Philippines and **shall be conducted by legal officers of the Bureau of Internal Revenue** but no civil or criminal action for the recovery of taxes or the enforcement of any fine, penalty or forfeiture under this Code shall be filed in court without the approval of the Commissioner. (Emphasis supplied)

In *Province of Occidental Mindoro v. Agusan Petroleum and Mineral Corporation*,⁵ the Supreme Court, citing *Commissioner of Internal Revenue v. La Suerte Cigar & Cigarette Factory*⁶ (*La Suerte*) and *People v. Court of Tax Appeals-Third Division*,⁷ reiterated that the OSG has the primary responsibility to appear for the BIR in proceedings before the Court of Tax Appeals (CTA):

In *Commissioner of Internal Revenue v. La Suerte Cigar & Cigarette Factory*, the Court was asked to elucidate on the issue of legal representation in light of Section 220 of the National Internal Revenue Code of 1997 that allows the legal officers of the Bureau of Internal Revenue (BIR) to institute and conduct judicial action on behalf of the government. The Court maintained that it is the solicitor general who has the primary responsibility to appear for the government in appellate proceedings:

The *institution or commencement* before a proper court of civil and criminal actions and proceedings arising under the Tax Reform Act which “shall be conducted by legal officers of the Bureau of Internal Revenue” is not in dispute. *An appeal from such court, however, is not a matter of right. Section 220 of the Tax Reform Act must not be understood as overturning the long established procedure before this Court in requiring the Solicitor General to represent the interest of the Republic. This Court continues to maintain that it is the Solicitor General who has the primary responsibility to appear for the government in*

⁵ G.R. No. 248932, January 14, 2025 [Per J. Leonen. *En Banc*].

⁶ G.R. No. 144942, July 4, 2002, [Per J. Vitug. *En Banc*].

⁷ G.R. Nos. 251270 & 251291-301, September 5, 2022 [Per J. Dimaampao. Third Division].



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appellate proceedings. This pronouncement finds justification in the various laws defining the Office of the Solicitor General, beginning with Act No. 135, which took effect on 16 June 1901, up to the present Administrative Code of 1987.

....

Then again, in *People v. Court of Tax Appeals-Third Division*, the Court, following *La Suerte*, held that the BIR cannot persist in questioning the Court of Tax Appeal's acquittal of the private respondents despite the solicitor general's assessment that there was no valid ground to do so. (Citations omitted)

Consistent with the foregoing, in *Commissioner of Internal Revenue v. Second Division of the Court of Tax Appeals*,⁸ the Supreme Court, citing *La Suerte*, reiterated that a petition filed without the OSG's *imprimatur* is procedurally defective and **dismissible on that ground alone:**

It is the OSG's statutory mandate "to represent the Government and its officers in the Supreme Court, the Court of Appeals, and all other courts or tribunals *in all civil actions and special proceedings* in which the Government or any officer thereof in his official capacity is a party."

In *Commissioner of Internal Revenue v. La Suerte Cigar & Cigarette Factory*, the CIR's direct filing of a petition before this Court, absent the requisite authority or representation of the OSG, constituted a procedural defect tantamount to non-fulfillment of the mandatory verification requirement. The Court clarified:

Section 220 of the Tax Reform Act must not be understood as overturning the long-established procedure before this Court in requiring the Solicitor General to represent the interest of the Republic. *This Court continues to maintain that it is the Solicitor General who has the primary responsibility to appear for the government in appellate proceedings.*

Pursuant to the pronouncement in *La Suerte*, the OSG and the BIR entered into a Memorandum of Agreement, which was communicated to all revenue officers and other concerned parties *via* Revenue Memorandum Circular No. 025-10.



⁸ G.R. No. 280165, August 4, 2025 [Per J. Inting, Third Division].

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That representation of the CIR/BIR before this Court is *exclusive* to the OSG, particularly in petitions assailing CTA rulings, as pronounced in *La Suerte*, is clear from the very terms of said agreement:

B. Handling Cases

. . . .

2. Cases appealed before the *Regional Trial Courts, Court of Appeals and the Court of Tax Appeals En Banc*.

a. The OSG hereby *deputizes* BIR handling lawyers to:

i. Appear before the Courts; and

ii. Continue the prosecution/litigation of appealed tax cases before the Regional Trial Courts, Court of Appeals, and the Court of Tax Appeals En Banc.

The BIR handling lawyer shall have the following responsibilities:

i. To appear before courts; and

ii. To prepare all pleadings, motions, orders, decisions, resolutions, communications and other papers/documents in connection with the case.

b. The BIR shall periodically submit a list of handling lawyers to the OSG for purposes of deputation.

. . . .

Verily, the OSG may deputize BIR lawyers; however, the latter's authority does not extend to representation before this Court. When the CIR is aggrieved by CTA rulings, it cannot proceed to this Court on its own, without the OSG's approval. In case the OSG finds it proper to proceed to the Supreme Court, it shall remain as the lead lawyer.

It has been held that **a petition filed without the OSG's *imprimatur*, when it is required, shall be defective; it shall be dismissible based on this ground alone.** While this rule was relaxed in *La Suerte*, the Court does not find any reason to do so in this case; the CIR/BIR is expected to



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observe the pronouncement in *La Suerte* and the guidelines set out in its own agreement with the OSG. (Emphasis supplied; citations omitted)

Thus, while Section 220 of the NIRC authorizes BIR legal officers to initiate and conduct actions on behalf of the Government, such authority does not extend to appellate proceedings independently of the Office of the Solicitor General. By express mandate of law and consistent jurisprudence, the **OSG retains the exclusive authority to represent the Government in appeals and to determine whether recourse to higher courts should be undertaken.**

Although the OSG may deputize BIR lawyers pursuant to Section 35(8), Title III of the Administrative Code of 1987, such deputation must be **express, specific to the case, and subject to the OSG's supervision and control.** General issuances, administrative agreements, or standing arrangements do not suffice to establish the requisite authority to represent the Government in a particular appeal.

In this case, the instant *Petition for Review* was filed by BIR lawyers on behalf of petitioner, without any showing of express deputation, written authority, or conformity from the OSG. The documents submitted by petitioner—namely, RMC No. 25-2010, the MOA dated March 17, 2010, and RAO No. 3-2014—merely embody general policies governing coordination between the BIR and the OSG. They do not constitute, nor can they substitute for, the OSG's **specific authorization to initiate and pursue this appeal.**

Crucially, none of the submitted documents shows that the OSG authorized the elevation of this case or exercised its discretion to pursue appellate review. Absent such *imprimatur*, the filing of the instant Petition cannot be considered a valid invocation of this Court's appellate jurisdiction.

Settled jurisprudence holds that compliance with the requirement of representation by the OSG in appellate proceedings is not a mere technicality, but an essential condition for the proper institution of an appeal on behalf of the Government. As emphasized in *Commissioner of Internal Revenue v. Fort Bonifacio Development Corporation*,⁹ the right to appeal is a statutory privilege, not a natural right, and must be exercised strictly in accordance with procedural rules. Failure

⁹ G.R. No. 167606, August 11, 2010 [Per J. Mendoza, Second Division].



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to perfect an appeal within the prescribed period is jurisdictional and results in the loss of the remedy:

The right to appeal is not a natural right. It is also not part of due process. It is merely a statutory privilege and may be exercised only in the manner and in accordance with the provisions of law. Thus, one who seeks to avail of the right to appeal must comply with the requirements of the Rules. Failure to do so often leads to the loss of the right to appeal.

The failure to timely perfect an appeal cannot simply be dismissed as a mere technicality, for it is jurisdictional. (Citations omitted)

Accordingly, a petition filed without the OSG's authority is **void and produces no legal effect**, and is dismissible on this ground alone.

In fine, the instant *Petition for Review*, having been filed without the requisite authority or *imprimatur* from the OSG, is **fatally defective and must be dismissed outright**.

WHEREFORE, premises considered, the instant *Petition for Review* is **DISMISSED** for lack of the requisite authority or *imprimatur* of the Office of the Solicitor General.

SO ORDERED.


LANEE S. CUI-DAVID
Associate Justice

WE CONCUR:


MA. BELEN M. RINGPIS-LIBAN
Presiding Justice


JEAN MARIE A. BACORRO-VILLENA
Associate Justice

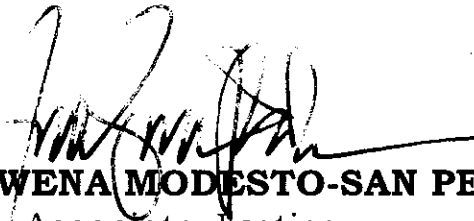
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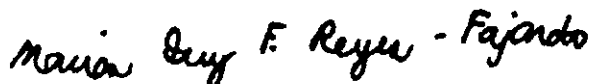
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MARIA ROWENA MODESTO-SAN PEDRO
Associate Justice



MARIAN IVY F. REYES-FAJARDO
Associate Justice

ON LEAVE
CORAZON G. FERRER-FLORES
Associate Justice



HENRY S. ANGELES
Associate Justice

(No Part)
PAOLO S. TESTON
Associate Justice

(No Part)
DEBBIE JEAN I. CENTENO-DIJAMCO
Associate Justice