

REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

SPECIAL SECOND DIVISION

PEOPLE OF THE PHILIPPINES,
Plaintiff-Appellant,

CTA CRIM. CASE NO. A-8
(Case Nos. R-MKT-20-01449-CR
and R-MKT-20-01450-CR)

Members:

- versus -

BACORRO-VILLENA, *Acting Chairperson*,
CUI-DAVID, *Jl.*

ANGELO R. BALILI,
Accused-Appellee.

Promulgated: **JUL 12 2022**

x - - - - - x
f 3:20 p.m.

RESOLUTION

BACORRO-VILLENA, J.:

For the Court's resolution is plaintiff-appellant People of the Philippines' (**plaintiff-appellant's**) "Motion for Reconsideration"¹ (**MR**) filed on 28 February 2022², with accused-appellee Angelo R. Balili's (**accused/appellee's**) "Comment/Opposition (To: Motion for Reconsideration dated February 28, 2022)"³ (**Comment**) filed on 29 March 2022.

The instant motion seeks a reconsideration of the Court's Decision dated 25 January 2022⁴ (**assailed Decision**) in the above-captioned case, and reversal of the Orders dated 25 September 2020⁵

¹ Division Docket, pp. 177-185.
² Received by the Court on 09 March 2022.
³ Division Docket, pp. 191-203.
⁴ Id., pp. 163-176.
⁵ RTC Records, pp. 217-221.

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and 07 January 2021⁶ (**assailed Orders**) issued by the Regional Trial Court (RTC/court *a quo*) of Makati City, Branch 146 in the case of *People of the Philippines v. Angelo R. Balili*, docketed as R-MKT-20-01449-CR and R-MKT-20-01450-CR. The pertinent portion of the assailed Decision reads:

...

WHEREFORE, the foregoing considered, plaintiff-appellant's appeal filed on 03 February 2021 is hereby **DENIED** for lack of merit. Accordingly, the Orders dated 25 September 2020 and 07 January 2021 issued by the Regional Trial Court of Makati City, Branch 146, in the case entitled, *People of the Philippines v. Angelo R. Balili*, docketed as R-MKT-20-01449-CR and R-MKT-20-01450-CR are hereby **AFFIRMED**.

SO ORDERED.

...

In the assailed Decision, the Court ruled that plaintiff-appellant's criminal action against accused-appellee had already prescribed pursuant to Section 281 of the National Internal Revenue Code (NIRC) of 1997, as amended, which provides, thusly:

...

SEC. 281. *Prescription for Violations of any Provision of this Code.* – All violations of any provision of this Code shall prescribe after five (5) years.

Prescription shall begin to run from the day of the commission of the violation of the law, and if the same be not known at the time, from the discovery thereof and the institution of judicial proceedings for its investigation and punishment.

The prescription shall be interrupted when proceedings are instituted against the guilty persons and shall begin to run again if the proceedings are dismissed for reasons not constituting jeopardy.

The term of prescription shall not run when the offender is absent from the Philippines.

...

The Court found that the demand to pay taxes on QNX Solutions, Incorporated (QNX), wherein accused-appellee is the

⁶ Id., pp. 260-263.

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President, became final on 14 October 2013. In order to toll the running of the five-year prescription period provided above, the Bureau of Internal Revenue (BIR) should have instituted a criminal complaint with the Department of Justice (DOJ) by 14 October 2018. Therefore, when the criminal complaint was filed with the DOJ on 11 April 2019, the offense of tax evasion had already prescribed.

In the instant motion, plaintiff-appellant essentially raises the same issues and arguments namely: (1) that the criminal action has not yet prescribed; and, (2) that the lack of a notice of hearing in accused appellee's "Motion to Quash with Motion to Cancel Arraignment"⁷ (**Motion to Quash**) makes the same motion *pro forma* and violated plaintiff-appellant's right to due process.

In his Comment to the MR, accused-appellee fully agrees with the disquisitions and conclusions reached by the Court in the assailed Decision.

We resolve.

After considering the arguments put forth by the parties, the Court finds the instant motion devoid of merit *moreso* that plaintiff-appellant's motion merely reiterates contentions already settled by the Court.

As for the first issue and as stated earlier, the BIR's filing of the criminal complaint against accused-appellee was belatedly made. Thus, the RTC was correct in quashing the information against accused-appellee on the ground of prescription, pursuant to Section 281 of the NIRC, as amended.

As regards the second issue, the Court reiterates that there is no denial of plaintiff-appellant's due process rights when it was given an opportunity to be heard. The Court discusses this matter in length, applying precedents from the Supreme Court's decisions in *Fausto R. Preysler, Jr. v. Manila Southcoast Development Corporation*⁸ and *Joanne Kristine G. Pimentel v. Reynaldo Adiao, et al.*⁹ to wit: 

⁷ Id., pp. 183-189.

⁸ G.R. No. 171872, 28 June 2010.

⁹ G.R. No. 222678, 17 October 2018.

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...

Despite being the standard, austere compliance with the three-day notice rule admits of exception. In *Preysler, Jr. v. Manila Southcoast Development Corporation*, the Supreme Court explains:

...

The three-day notice rule is not absolute. A liberal construction of the procedural rules is proper where the lapse in the literal observance of a rule of procedure has not prejudiced the adverse party and has not deprived the court of its authority...

...

The test is the presence of opportunity to be heard, as well as to have time to study the motion and meaningfully oppose or controvert the grounds upon which it is based...

...

A perusal of the records show that plaintiff-appellant was able to file its Comment to accused-appellee's Motion to Quash. In its brief, it even admitted its receipt of a copy of the assailed motion (albeit from the court *a quo*). At this point, whether or not there is truth to plaintiff-appellant's further claim that accused-appellee failed to supply the former with the copy of the assailed motion is of no moment. As it stands, plaintiff-appellant was fully notified of the filing and contents of the assailed motion. The court *a quo* also allowed it an ample time to oppose the assailed motion as shown in the court *a quo*'s Order dated 08 September 2020.

It is a well-entrenched principle that technicalities are surrendered in the best interest [of] justice. In *Pimentel v. Adiao, et al.*, the Supreme Court explains, thus:

...

The Rules of Court were conceived and promulgated to set forth guidelines in the dispensation of justice but not to bind and chain the hand that dispenses it, for otherwise, courts will be mere slaves to or robots of technical rules, shorn of judicial discretion. That is precisely why courts, in rendering justice have always been, as they in fact ought to be, conscientiously guided by the norm that on the balance, technicalities take a backseat to substantive rights, and not the other way around. As applied to [the] instant case, in the language of Justice Makalintal, technicalities "should give way to the realities of the situation.

...

Judging from these facts, the right of plaintiff-appellant to due process remained intact. Procedural due process merely requires that



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a party be given notice and a real opportunity to be heard, both of which were afforded the prosecution.¹⁰

...

Finding accused-appellant's arguments repetitious, the Court sees no reason to forego, reverse, or amend its assailed Decision in the above-captioned case.

WHEREFORE, the foregoing considered, plaintiff-appellant's "Motion for Reconsideration" filed on 28 February 2022 is hereby **DENIED** for lack of merit.

SO ORDERED.


JEAN MARIE A. BACORRO-VILLENA
Associate Justice

I CONCUR:


LANEE S. CUI-DAVID
Associate Justice