

REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

EN BANC

COMMISSIONER OF
INTERNAL REVENUE,

Petitioner,

CTA EB NO. 2833
(CTA CASE NO. 9879)

Present:

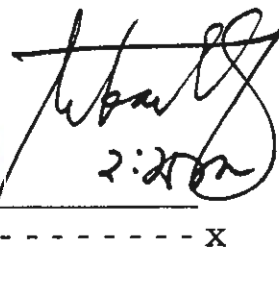
- versus -

DEL ROSARIO, *P.J.*,
RINGPIS-LIBAN,
MANAHAN,
BACORRO-VILLENA,
MODESTO-SAN PEDRO,
REYES-FAJARDO,
CUI-DAVID,
FERRER-FLORES, *and*
ANGELES, *JJ.*

COURT OF TAX APPEALS
SPECIAL SECOND DIVISION
and AIG SHARED SERVICES
CORPORATION (PHILIPPINES),
Respondent.

Promulgated:

JUL 10 2025



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RESOLUTION

MANAHAN, *J.*:

For resolution of the Court is petitioner's *Motion for Reconsideration (Re: Decision promulgated 16 January 2025)*¹ filed on February 4, 2025, with private respondent AIG Shared Services Corporation (Philippines)' *Comment [on CIR's Motion for Reconsideration dated 24 January 2025]*² filed on March 10, 2025.

For easy reference, the dispositive portion of the January 16, 2025 Decision (Assailed Decision)³ reads:

¹ Court *En Banc* Docket, pp. 109-129.

² Court *En Banc* Docket, pp. 134-165.

³ Court *En Banc* Docket, pp. 87-101.



WHEREFORE, the instant Petition for Certiorari Under Rule 65 is **DISMISSED**.

SO ORDERED.⁴

In his motion, petitioner asserts, among others, that:

Section 3, Rule 38 of the Revised Rules of Court provides for the period within which to file a Petition for Relief from Judgment, to wit:

‘Section 3. Time for filing petition; contents and verification. — A petition provided for in either of the preceding sections of this Rule must be verified, filed within sixty (60) days after the petitioner learns of the judgment, final order, or other proceeding to be set aside, and not more than six (6) months after such judgment or final order was entered, or such proceeding was taken, and must be accompanied with affidavits showing the fraud, accident, mistake, or excusable negligence relied upon, and the facts constituting the petitioner's good and substantial cause of action or defense, as the case may be.’

Based on the above-cited provision, the Petition for Relief must be filed within sixty (60) days after the petitioner learns of the judgment, final order or other proceeding to be set aside. Thus, respondent has sixty (60) days from 30 January 2023 or until 31 March 2023 within which to file the instant Petition with this Honorable Court.

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It must be stressed that in a Resolution promulgated 28 November 2022, the Special Second Division stated, among others:

‘xxx xxx xxx

ACCORDINGLY, let Entry of Judgment be issued in this case, and the Clerk of Court shall forthwith enter the Decision dated October 26, 2021 in the Book of Entries of Judgments (Section 6, Rule 14, Revised Rules of CTA).’

Thus, as of 29 November 2022, the Decision dated 26 October 2021 has not yet been entered in the Book of Entries of Judgments.

⁴ See Note 3, p. 100. 

To reiterate, petitioner received the Entry of Judgment on 30 January 2023.

Hence, the instant Petition for Relief from Judgment was filed within the period provided for by the Revised Rules of Court for the purpose of seeking to be relieved from the Decision promulgated on 26 October 2021, and the effects of the Entry of Judgment issued by this Honorable Court on 25 January 2023.

Further, the Special Second Division stated in the assailed Resolution that respondent's Affidavit of Merit attached to the Petition is inimical or prejudicial even to its own cause.

It is true that Atty. Tejada stopped to work only around May 2022. However, even prior to May 2022, Atty. Tejada already didn't report for work everyday.

Thus, the inability of the undersigned counsel to file the motion for reconsideration, warrants the relief sought for. xxx⁵

On the other hand, private respondent counters that the instant motion is a mere rehash of the arguments raised in the Petition.

After careful consideration, the Court *En Banc* resolves to deny the present motion for reconsideration.

The Court *En Banc* notes that petitioner failed to raise any new argument which was not addressed in the assailed Decision. To reiterate, the Petition for Relief from Judgment filed before the Court in Division was filed out of time, thus:

Rule 38, Sec. 3 of the Revised Rules of Court (RROC) provides:

Section 3. Time for filing petition; contents and verification. — A petition provided for in either of the preceding sections of this Rule must be verified, filed **within sixty (60) days after the petitioner learns of the judgment, final order, or other proceeding to be set aside, and not more than six (6) months after such judgment or final order was entered, or such proceeding was taken**, and must be accompanied with affidavits showing the fraud, accident, mistake, or excusable negligence relied upon, and the facts

⁵ See Note 1, pp. 110-112. 

constituting the petitioner's good and substantial cause of action or defense, as the case may be.

In *Commissioner of Internal Revenue v. Yi Wine Club, Inc.*, the Supreme Court explained the double period under the above-quoted rule, as follows:

The Court expounded on the foregoing provision in *Quelnan v. VHF Philippines* as follows:

Clear it is from the above that a petition for relief from judgment must be filed within: (a) 60 days from knowledge of judgment, order or other proceedings to be set aside; and (b) six (6) months from entry of such judgment, order or other proceeding. These two periods **must concur**. Both periods are also **not extendible and never interrupted**. **Strict compliance** with these periods stems from the equitable character and nature of the petition for relief. **xxx failure to avail of such 'last chance' within the grace period fixed by the Rules is fatal.**

In *Lasam v. Philippine National Bank*, the Court further emphasizes strict compliance with the reglementary periods for filing a petition for relief:

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The Court reiterates that the two time periods mentioned under Rule 38, Sec. 3 of the Rules of Court — to wit: (a) 60 days from knowledge of the judgment, order, or proceeding to be set aside and (b) six (6) months from entry of such judgment, order or other proceeding — must concur. The two time periods cannot be extended and interrupted. They are for strict compliance and failure to comply with either or both of them will be fatal to the petition for relief.

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Here, petitioner alleges that they only had knowledge of the decision on January 30, 2023 when they received a copy of the Entry of Judgment. Counting sixty (60) days therefrom, petitioner had until March 31, 2023 to satisfy the sixty (60)-day period required under Rule 38, Sec. 3 of the RROC, i.e., (sixty) 60 days from knowledge of the judgment, order, or proceeding.

However, petitioner wrongfully counted the six (6)-month period from the same date, or on January 30, 2023, when he received a copy of the Entry of Judgment. 

Rule 14, Section 6 of the 2005 Revised Rules of the CTA (RRCTA), as amended, states that:

SEC. 6. Entry of judgment and final resolution.- If no appeal or motion for reconsideration or new trial is filed within the time provided in these Rules, the Clerk of Court shall forthwith enter the judgment or final resolution in the book of judgment. **The date when the judgment or final resolution become executory shall be deemed the date of its entry.** The entry shall contain the dispositive part of the judgment or final resolution and shall be signed by the Clerk of Court, with a certification that such judgment or resolution has become final and executory.

Based on records, the Decision of the CTA Second (2nd) Division dated October 26, 2021 became final and executory on August 19, 2022. Under Rule 14, Section 6 of the 2005 RRCTA, as amended, the date when the judgment or final resolution become executory shall be deemed the date of its entry. Thus, considering that the said Decision became final and executory on August 19, 2022, the same date shall be deemed the date of its entry.

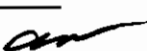
Counting six (6) months from August 19, 2022, petitioner had until February 15, 2023 to satisfy the six (6)-month period required under Rule 38, Sec. 3 of the RROC, *i.e.*, (six) 6 months from entry of such judgment, order or other proceeding.

Considering that petitioner failed to satisfy the double period requirement under Rule 38, Section 3 of the RROC, *i.e.*, petitioner filed the Petition for Relief from Judgment only on March 31, 2023 which is beyond six (6) months from entry of judgment, the CTA Special Second (2nd) Division correctly ruled that the said petition was filed out of time.⁶

With respect to one of petitioner's counsels' alleged failure to timely file a motion for reconsideration, the assailed Decision already found that:

As found by the CTA Special Second (2nd) Division, Atty. Tejada's alleged neglect in handling the case is not tantamount to excusable neglect as a ground under Section 1, Rule 38 of the RROC. Thus:

'Again, Atty. Tejada's lapses do not amount to 'excusable negligence.'

⁶ See Note 3, pp. 93-96. 

In the case of Insular Life Savings and Trust Company v. Spouses Felix Mateo Runes, Jr., et al., the Supreme Court emphasized that clients are bound by the mistakes not only of the handling lawyer but also of the counsel of record (usually a firm or an office):

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Applying the foregoing and as pointed out in the assailed Resolution, the instant case is or was not being handled by Atty. Tejada alone. The case records bear that other lawyers, namely: Attys. Felix Paul R. Velasco III, Sylvia R. Alma Jose and Ayesha Hania B. Guiling-Matanog are his co-counsels. Thus, if respondent was indeed aware of Atty. Tejada's frequent absences prior to May 2022, then he or she should have advised the co-counsels to monitor and assume the handling of the case.⁷

Considering the foregoing, the Court *En Banc* finds no reason to deviate from the findings in the assailed Decision and to discuss the other arguments raised by petitioner in the instant motion. Consequently, the denial of the same is in order.

WHEREFORE, the instant *Motion for Reconsideration (Re: Decision promulgated 16 January 2025)* is **DENIED**, for lack of merit.

SO ORDERED.

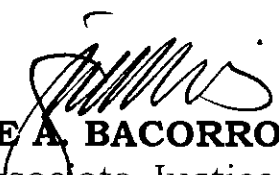

CATHERINE T. MANAHAN
Associate Justice

WE CONCUR:

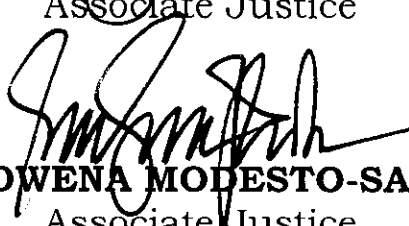

ROMAN G. DEL ROSARIO
Presiding Justice


MA. BELEN M. RINGPIS-LIBAN
Associate Justice

⁷ See Note 3, pp. 98-100.



JEAN MARIE A. BACORRO-VILLENA
Associate Justice



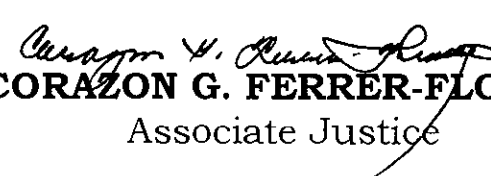
MARIA ROWENA MODESTO-SAN PEDRO
Associate Justice



MARIAN IVY F. REYES-FAJARDO
Associate Justice



LANEE S. CUI-DAVID
Associate Justice



CORAZON G. FERRER-FLORES
Associate Justice



HENRY S. ANGELES
Associate Justice

