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upon the ouster of then President Marcos from power on February 21, 1986. The four-year prescriptive period must, therefore, be reckoned from the said date. Thus, when respondents filed their complaint for reconveyance on September 15, 1989, the period provided for by law had not yet prescribed. Therefore, petitioner's motion to dismiss should be denied.

WHEREFORE, premises considered, the instant petition is *DENIED* for lack of merit. The Regional Trial Court is ordered to proceed with the trial of the case with dispatch. Costs against petitioner.

SO ORDERED.

Carpio Morales,[**] *Chico-Nazario (Acting Chairperson),*[***] *Peralta,* and *Abad,*[****] *JJ.,* concur.

EN BANC

[G.R. No. 173615. October 16, 2009]

PHILIPPINE NATIONAL BANK, *petitioner, vs.* **CAYETANO A. TEJANO, JR.,** *respondent.*

SYLLABUS

1. POLITICAL LAW; ADMINISTRATIVE LAW; EXECUTIVE ORDER NO. 80 (REVISED CHARTER OF PHILIPPINE NATIONAL BANK); EFFECTS OF CONVERTING THE

[**] Additional member in lieu of Associate Justice Antonio T. Carpio per Special Order No. 744 dated October 13, 2009.

[***] In lieu of Associate Justice Antonio T. Carpio per Special Order No. 743 dated October 13, 2009.

[****] Additional member in lieu of Associate Justice Presbitero J. Velasco, Jr. per Special Order No. 753 dated October 13, 2009.

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BANK INTO A PRIVATE FINANCIAL AND BANKING INSTITUTION.— Section 6 of E.O. No. 80, also known as the *Revised Charter of PNB*, treats of the effects of converting the bank into a private financial and banking institution. x x x [It] only states no more than the natural, logical and legal consequences of opening to private ownership the majority of the bank's voting equity. This is very evident in the title of the section called *Change in Ownership of the Majority of the Voting Equity of the Bank.* Certainly, the transfer of the majority of the bank's voting equity from public to private hands is an inevitable effect of privatization or, conversely, the privatization of the bank would necessitate the opening of the voting equity thereof to private ownership. And as the bank ceases to be government depository, it would, accordingly be coming under the operation of the definite set of laws and rules applicable to all other private corporations incorporated under the general incorporation law. Perhaps the aspect of more importance in the present case is that the bank, upon its privatization, would no longer be subject to the coverage of government service-wide agencies such as the CSC and the Commission on Audit (COA).

2. ID.; ID.; ID.; THE CIVIL SERVICE COMMISSION (CSC) CANNOT BE DIVESTED OF JURISDICTION OVER PENDING DISCIPLINARY CASES INVOLVING ACTS COMMITTED BY PNB EMPLOYEES AT THE TIME THAT THE BANK WAS STILL A GOVERNMENT OWNED AND CONTROLLED CORPORATION.— By no stretch of intelligent and reasonable construction can the provisions in Section 6 of E.O. No. 80 be interpreted in such a way as to divest the CSC of jurisdiction over pending disciplinary cases involving acts committed by an employee of the PNB at the time that the bank was still a government-owned and controlled corporation. Stated otherwise, no amount of reasonable inference may be derived from the terms of the said Section to the effect that it intends to modify the jurisdiction of the CSC in disciplinary cases involving employees of the government. Sound indeed is the rule that where the law is clear, plain and free from ambiguity, it must be given its literal meaning and applied without any interpretation or even construction. This is based on the presumption that the words

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employed therein correctly express its intent and preclude even the courts from giving it a different construction. Section 6 of E.O. No. 80 is explicit in terms. It speaks for itself. It does not invite an interpretation that reads into its clear and plain language petitioner's adamant assertion that it divested the CSC of jurisdiction to finally dispose of respondent's pending appeal despite the privatization of PNB.

3. ID.; ID.; ID.; THE FACT THAT SECTION 6 OF E.O. NO. 80 STATES THAT PNB WOULD BE REMOVED FROM THE COVERAGE OF THE CSC MUST BE TAKEN TO GOVERN ACTS COMMITTED BY THE BANK'S EMPLOYEES AFTER PRIVATIZATION.— While there is no denying that upon its privatization, the bank would consequently be subject to laws, rules and regulations applicable to private corporations — which is to say that disciplinary cases involving its employees would then be placed under the operation of the Labor Code of the Philippines — still, we cannot validate petitioner's own interpretation of Section 6 of E.O. No. 80 that the same must be applied to respondent's pending appeal with the CSC and that, resultantly, the CSC must abdicate its appellate jurisdiction without having to resolve the case to finality. It is binding rule, conformably with Article 4 of the Civil Code, that, generally, laws shall have only a prospective effect and must not be applied retroactively in such a way as to apply to pending disputes and cases. This is expressed in the familiar legal maxim *lex prospicit, non respicit* (the law looks forward and not backward.) The rationale against retroactivity is easy to perceive: the retroactive application of a law usually divests rights that have already become vested or impairs the obligations of contract and, hence, is unconstitutional. Although the rule admits of certain well-defined exceptions such as, for instance, where the law itself expressly provides for retroactivity, we find that not one of such exceptions that would otherwise lend credence to petitioner's argument obtains in this case. Hence, in other words, the fact that Section 6 of E.O. No. 80 states that PNB would be removed from the coverage of the CSC must be taken to govern acts committed by the bank's employees after privatization.

4. ID.; ID.; ID.; APPELLATE JURISDICTION OF THE CSC OVER THE CASE ONCE ATTACHED CONTINUES UNTIL

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IT SHALL HAVE BEEN FINALLY TERMINATED.— [J]urisdiction is conferred by no other source than law. Once jurisdiction is acquired, it continues until the case is finally terminated. The disciplinary jurisdiction of the CSC over government officials and employees within its coverage is well-defined in Presidential Decree (P.D.) No. 807, otherwise known as *The Civil Service Decree of the Philippines*. Section 37 thereof materially provides that the CSC shall have jurisdiction over appeals in administrative disciplinary cases involving the imposition of the penalty of suspension for more than thirty days; or fine in an amount exceeding thirty days' salary; demotion in rank or salary or transfer, removal or dismissal from office. It bears to stress on this score that the CSC was able to acquire jurisdiction over the appeal of respondent merely upon its filing, followed by the submission of his memorandum on appeal. From that point, the appellate jurisdiction of the CSC at once attached, thereby vesting it with the authority to dispose of the case on the merits until it shall have been finally terminated.

5. ID.; ID.; ID.; E.O. NO. 80 DOES NOT AUTHORIZE THE TRANSFER OF CSC's JURISDICTION TO ANOTHER TRIBUNAL PRIOR TO THE ENACTMENT OF THE LAW.— [T]he provisions in Section 6 of E.O. No. 80 are too clear and unambiguous to be interpreted in such a way as to abort the continued exercise by the CSC of its appellate jurisdiction over the appeal filed before the privatization of PNB became effective. Suffice it to say that nowhere in the said Section can we find even the slightest indication that indeed it expressly authorizes the transfer of jurisdiction from the CSC to another tribunal over disciplinary and administrative cases already pending with the said Commission even prior to the enactment of the law.

APPEARANCES OF COUNSEL

Chief Legal Counsel (PNB) for petitioner.
Pedro R. Lazo for respondent.

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D E C I S I O N

PERALTA, *J.*:

In this petition for review,[1] the Philippine National Bank assails the January 3, 2006 Decision[2] of the Court of Appeals in CA-G.R. SP No. 50084, which reversed Resolution Nos. 980716 and 983099 issued by the Civil Service Commission, respectively dated April 14, 1998 and December 7, 1998, and referred the case back to said office for further proceedings. The assailed Resolutions, in turn, dismissed respondent Cayetano A. Tejano's appeal from the resolution of the Board of Directors of the Philippine National Bank which found him guilty of grave misconduct in connection with a number of transactions with certain corporate entities.

The case stems from a number of alleged irregular and fraudulent transactions made by respondent Cayetano A. Tejano, Jr. supposedly with the participation of eight (8) other employees of petitioner Philippine National Bank (PNB) in its branch in Cebu City — namely Ma. Teresa Chan, Marcelino Magdadaro, Douglasia Canuel, Novel Fortich, Jacinto Ouano, Quirubin Blanco, Manuel Manzanares and Pedrito Ranile. Respondent, together with the other employees, allegedly committed grave misconduct, gross neglect of duty, conduct grossly prejudicial to the best interest of the service and acts violative of Republic Act No. 3019, relative to the corporate accounts of and transactions with Pat International Trading Corporation (PITC), Khun Tong International Trading Corporation (KITC), Pat Garments International Corporation (PGIC), Aqua Solar Trading Corporation, Dacebu Traders and Exporters, Mancao Mercantile Co., Inc. and V&G Better Homes Subdivision. All of these transactions transpired at the time that PNB was still a government-owned and controlled corporation.

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[1] Filed under Rule 45 of the 1997 Rules of Civil Procedure.

[2] Penned by Associate Justice Monina Arevalo-Zenarosa, with Associate Justices Andres B. Reyes, Jr. and Rosmari D. Carandang, concurring; *rollo*, pp. 10-29.

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Respondent, who was then the Vice-President and Manager of the bank, and the eight other employees were administratively charged before the PNB Management Hearing Committee on February 24 and March 17, 1994.[3] At the close of the hearing on the merits, the Committee found that with respect to respondent, he was guilty of gross misconduct in misappropriating the funds of V&G and of gross neglect in extending unwarranted credit accommodations to PITC, PGIC and KITC which must serve as an aggravating circumstance. The Committee then recommended that respondent be meted the penalty of forced resignation without forfeiture of benefits.[4]

The PNB Board of Directors differed. In its Resolution No. 88[5] dated June 21, 1995, it found that respondent's gross

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[3] *Rollo,* pp. 112-131.

[4] Memorandum for Respondent, *rollo*, p. 100. The Hearing Committee disposed of the case as follows:

WHEREFORE, IN VIEW OF THE FOREGOING, the respondents are hereby found guilty as follows:

a. Cayetano Tejano, Jr. — Grave Misconduct in connection with the misappropriation of bank funds in the V&G account. He is likewise found guilty of gross neglect in extending unwarranted credit accommodation to PITC, PGIC and KITC. However, pursuant to Section 17, Rule 14 of the Civil Service Rules Implementing Executive Order No. 292, the latter administrative offense is hereby considered as an aggravating circumstance.

b. Ma. Teresa Chan, Marcelino Magdadaro, Douglas Canuel, Quirubin Blanco, Manuel Manzanares, Jacinto Ouano, Pedrito Ranile, Novel Fortich — Simple Neglect in connection with the unwarranted credit accommodation to PITC, PGIC and KITC, insofar as their respective participation in any, two or all accounts appear.

ACCORDINGLY, it is respectfully recommended that respondents be meted the following penalties, taking into consideration the mitigating circumstances:

a. Cayetano, Jr. — Forced resignation with benefits;

b. Ma. Teresa Chan, Marcelino Magdadaro, Douglas Canuel, Quirubin Blanco, Manuel Manzanares, Jacinto Ouano, Pedrito Ranile, Novel Fortich— one (1) month suspension.

As to the supplemental charges, it is respectfully recommended that the same be dismissed.

[5] *Rollo,* p. 64.

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neglect in giving unwarranted credit to PITC, PGIC and KITC must serve as an aggravating circumstance in relation to the offense of grave misconduct consisting of misappropriation of V&G funds and must serve the penalty of forced resignation with forfeiture of benefits.[6]

It appears that only herein respondent sought reconsideration but the Board of Directors, in its Resolution No. 107,[7] denied the same. Thereafter, on September 21, 1995, respondent appealed to the Civil Service Commission (CSC)[8] and, on October 19, 1995, he submitted his Memorandum on Appeal.[9]

In the meantime, on May 27, 1996, the PNB had ceased to be a government-owned and controlled corporation, and in view of its conversion into a private banking institution by virtue of

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[6] *Id.* The PNB Board of Directors resolved the case as follows:

RESOLVED, to approve and confirm the following:

a. As to Respondent Cayetano A. Tejano, Jr., Vice-President — After finding him guilty of grave misconduct in connection with the misappropriation of funds in the V&G account and gross neglect of duty in [giving] unwarranted credit accommodations to PITC, PGIC and KITC with the latter second grave offense of which he was found guilty to serve as aggravating circumstance pursuant to Civil Service rules that he be meted out the penalty of forced resignation without benefits;

b. As to Respondents Ma. Teresa B. Chan, Assistant Vice-President, and Douglasia R. Canuel, Assistant Department Manager II — After finding no sufficient basis to hold them liable for the offense charged, that they be exonerated.

c. As to Respondents Marcelino A. Magdadaro, Assistant Department Manager II; Novel G. Fortich, Assistant Department Manager II; Jacinto A. Ouano, Assistant Department Manager I; Quirubin G. Blanco, Assistant Department Manager I; Manuel A. Manzanares, Division Chief III; and Pedrito P. Ranile, Acting Chief, Loans and Discount Office — After finding them guilty of the light offense of neglect of duty in connection with the unwarranted credit accommodations to PITC, PGIC and KITC, that they be meted out the penalty of reprimand.

[7] Dated August 24, 1995; *rollo*, pp. 65-66.

[8] CA *rollo*, p. 233.

[9] *Id.* at 17-99.

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Executive Order (E.O.) No. 80.[10] Despite this development, the CSC, on April 14 1998, issued Resolution No. 980716[11] dismissing respondent's appeal for being filed out of time.

Respondent filed a motion for reconsideration[12] on which the CSC required petitioner to comment. In its Comment, petitioner theorized that even granting respondent's appeal was filed on time, the same must, nevertheless, be dismissed on account of the privatization of PNB which thereby removed the case from the jurisdiction of the CSC. The CSC found this argument meritorious and, subsequently, in its Resolution No. 983099[13] dated December 7, 1998, it denied respondent's reconsideration on that ground.

Respondent elevated the matter to the Court of Appeals on petition for review,[14] docketed as CA-G.R. SP No. 50084.

Before the appellate court, respondent, on the one hand, ascribed error to the CSC in denying due course to his appeal on the basis of the privatization of PNB inasmuch as the incident subject of the case had transpired way back in 1992, when the bank was still a government-owned and controlled corporation. He particularly noted that the CSC, before the privatization of the bank, had already acquired jurisdiction over the appeal upon the filing thereof and subsequent submission of the memorandum on appeal. This, according to respondent, negated petitioner's theory that the CSC could no longer assume jurisdiction and dispose of the appeal on the merits, especially considering that jurisdiction once acquired generally continues until the final disposition of the case.[15] On the other hand, petitioner argued

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[10] Executive Order No. 80 is entitled "Providing for the 1986 Revised Charter of the Philippine National Bank."

[11] *Rollo*, pp. 60-61.

[12] CA *rollo*, pp. 102-106.

[13] *Rollo*, pp. 62-63.

[14] Filed under Rule 43 of the Rules of Court. CA *rollo*, pp. 6-15.

[15] CA *rollo*, pp. 8-14.

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in essence that although the jurisdiction to act on the appeal must continue until the final disposition of the case, this rule admits of exceptions as where, in the present case, the law must be construed in a way as to operate on actions pending before its enactment.[16]

The Court of Appeals found merit in respondent's appeal. On January 3, 2006, it issued the assailed Decision reversing the twin resolutions of the CSC. The appellate court pointed out that respondent's appeal before the CSC had been filed on time and that the said commission had not lost jurisdiction over it despite the supervening privatization of PNB. But inasmuch as the assailed Resolutions did not permeate the merits of respondent's appeal, the appellate court found it wise to remand the case to the CSC for further proceedings. It disposed of the appeal as follows:

> WHEREFORE, premises considered, the instant petition for review under Rule 43 of the Rules of Court is hereby GRANTED. ACCORDINGLY, Resolution No. 980716 dated April 14, 1998 and Resolution No. 983099 dated December 7, 1998 of the Civil Service Commission are hereby REVERSED and the case is remanded to the Civil Service Commission for further proceedings.
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> SO ORDERED.[17]

Petitioner's motion for reconsideration was denied.[18] Hence, it filed the instant petition for review bearing the same issue as that raised previously.

At the core of the controversy is the question of whether E.O. No. 80 has the effect of removing from the jurisdiction of the CSC the appeal of respondent which was already pending before the CSC at the time the said law converted PNB into a private banking institution. Petitioner is insistent that, indeed, the law does have that effect, and this argument is perched on

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[16] *Id.* at 122.

[17] *Id.* at 239-240.

[18] *Id.* at 254-255.

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Section 6 of E.O. No. 80, which materially provides that the bank would cease to be a government-owned and controlled corporation upon the issuance of its articles of incorporation by the Securities and Exchange Commission and would no longer be subject to the coverage of both the CSC and the Commission on Audit.[19] Petitioner believes that while indeed jurisdiction ordinarily continues until the termination of the case, it advances the opinion that the rule does not apply where the law provides otherwise or where the said law intends to operate on cases pending at the time of its enactment.[20]

For his part, respondent submits that Section 6 of E.O. No. 80 does not provide for the transfer of jurisdiction over his pending appeal from the CSC to another administrative authority, and that neither does the provision authorize its retroactive application in a way that would deprive the CSC of jurisdiction over cases already pending before it prior to its effectivity.[21] Additionally, he invokes estoppel against petitioner inasmuch as the latter has actively participated in the proceedings before the CSC and, hence, was already barred from raising the issue of jurisdiction, and alleges that petitioner's present recourse was taken merely to cause delay in the final resolution of the controversy.[22]

We draw no merit in the petition.

In essence, Section 6 of E.O. No. 80, also known as the *Revised Charter of PNB*, treats of the effects of converting the bank into a private financial and banking institution. It states:

Section 6. ***Change in Ownership of the Majority of the Voting Equity of the Bank.*** **-** When the ownership of the majority of the issued common voting shares passes to private investors, the stockholders shall cause the adoption and registration with the Securities and Exchange Commission of the appropriate Articles

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[19] *Rollo*, pp. 38-39, 77-78.

[20] *Id.* at 40.

[21] *Id.* at 71-72.

[22] *Id.* at 72-73.

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of Incorporation and revised by-laws within three (3) months from such transfer of ownership. Upon the issuance of the certificate of incorporation under the provisions of the Corporation Code, this Charter shall cease to have force and effect, and shall be deemed repealed. Any special privileges granted to the Bank such as the authority to act as official government depositary, or restrictions imposed upon the Bank, shall be withdrawn, and the Bank shall thereafter be considered a privately organized bank subject to the laws and regulations generally applicable to private banks. **The Bank shall likewise cease to be a government-owned or controlled corporation subject to the coverage of service-wide agencies such as the Commission on Audit and the Civil Service Commission.**

The fact of the change of the nature of the Bank from a government-owned and controlled financial institution to a privately-owned entity shall be given publicity.[23]

In a language too plain to be mistaken, the quoted portion of the law only states no more than the natural, logical and legal consequences of opening to private ownership the majority of the bank's voting equity. This is very evident in the title of the section called *Change in Ownership of the Majority of the Voting Equity of the Bank.* Certainly, the transfer of the majority of the bank's voting equity from public to private hands is an inevitable effect of privatization or, conversely, the privatization of the bank would necessitate the opening of the voting equity thereof to private ownership. And as the bank ceases to be government depository, it would, accordingly be coming under the operation of the definite set of laws and rules applicable to all other private corporations incorporated under the general incorporation law. Perhaps the aspect of more importance in the present case is that the bank, upon its privatization, would no longer be subject to the coverage of government service-wide agencies such as the CSC and the Commission on Audit (COA).

By no stretch of intelligent and reasonable construction can the provisions in Section 6 of E.O. No. 80 be interpreted in

[23] Emphasis ours.

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such a way as to divest the CSC of jurisdiction over pending disciplinary cases involving acts committed by an employee of the PNB at the time that the bank was still a government-owned and controlled corporation. Stated otherwise, no amount of reasonable inference may be derived from the terms of the said Section to the effect that it intends to modify the jurisdiction of the CSC in disciplinary cases involving employees of the government.

Sound indeed is the rule that where the law is clear, plain and free from ambiguity, it must be given its literal meaning and applied without any interpretation or even construction.[24] This is based on the presumption that the words employed therein correctly express its intent and preclude even the courts from giving it a different construction.[25] Section 6 of E.O. No. 80 is explicit in terms. It speaks for itself. It does not invite an interpretation that reads into its clear and plain language petitioner's adamant assertion that it divested the CSC of jurisdiction to finally dispose of respondent's pending appeal despite the privatization of PNB.

In the alternative, petitioner likewise posits that the portion of Section 6 of the E.O. No. 80, which states that the PNB would no longer be subject to the coverage of both the COA and the CSC, must be understood to be applicable to cases already pending with the CSC at the time of the bank's conversion into a private entity. We are not swayed.

While there is no denying that upon its privatization, the bank would consequently be subject to laws, rules and regulations applicable to private corporations — which is to say that disciplinary cases involving its employees would then be placed under the operation of the Labor Code of the Philippines —

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[24] *Estolas v. Mabalot*, 431 Phil. 462, 469 (2002); *Domingo v. Commission on Audit*, G.R. No. 112371, October 7, 1998, 297 SCRA 163, 168; *Republic v. Court of Appeals*, G.R. Nos. 103882 and 105276, November 25, 1998, 299 SCRA 199, 227.

[25] *Espiritu v. Cipriano,* G.R. No. L-32723, February 15, 1974, 55 SCRA 533, 539.

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still, we cannot validate petitioner's own interpretation of Section 6 of E.O. No. 80 that the same must be applied to respondent's pending appeal with the CSC and that, resultantly, the CSC must abdicate its appellate jurisdiction without having to resolve the case to finality.

It is binding rule, conformably with Article 4 of the Civil Code, that, generally, laws shall have only a prospective effect and must not be applied retroactively in such a way as to apply to pending disputes and cases. This is expressed in the familiar legal maxim *lex prospicit, non respicit* (the law looks forward and not backward).[26] The rationale against retroactivity is easy to perceive: the retroactive application of a law usually divests rights that have already become vested or impairs the obligations of contract and, hence, is unconstitutional.[27] Although the rule admits of certain well-defined exceptions[28] such as, for instance, where the law itself expressly provides for retroactivity,[29] we find that not one of such exceptions that would otherwise lend credence to petitioner's argument obtains in this case. Hence, in other words, the fact that Section 6 of E.O. No. 80 states that PNB would be removed from the coverage of the CSC must be taken to govern acts committed by the bank's employees after privatization.

Moreover, jurisdiction is conferred by no other source than law. Once jurisdiction is acquired, it continues until the case is

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[26] *Land Bank of the Philippines v. De Leon*, 447 Phil. 495, 505 (2003).

[27] *Land Bank of the Philippines v. De Leon*, *supra*, citing *Francisco v. Certeza*, 3 SCRA 565 (1961).

[28] Exempted from prospective application are laws remedial in nature (*People v. Sumilang*, 77 Phil. 764 [1947]; *Guevarra v. Laico*, 64 Phil. 144 [1937]; *Laurel v. Misa*, 76 Phil. 372 [1946]); penal statutes favorable to the accused who is not a habitual delinquent (*US v. Cuna*, 12 Phil. 241 [1908]; *U.S. v. Soliman*, 36 Phil 5 [1917]); emergency laws issued in the exercise of the state's police power (*Valencia v. Surtido*, G.R. No. L-17277, May 31, 1961); curative laws (*Frivaldo v. COMELEC*, G.R. No. 120295, June 28, 1996).

[29] Civil Code, Art. 4; *Camacho v. Court of Industrial Relations*, 80 Phil. 848 (1948).

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finally terminated.[30] The disciplinary jurisdiction of the CSC over government officials and employees within its coverage is well-defined in Presidential Decree (P.D.) No. 807,[31] otherwise known as *The Civil Service Decree of the Philippines.* Section 37[32] thereof materially provides that the CSC shall have jurisdiction over appeals in administrative disciplinary cases involving the

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[30] *Bernarte v. Court of Appeals*, G.R. No. 107741, October 18, 1996, 263 SCRA 323, 339; *Alindao v. Joson*, G.R. No. 114132, November 14, 1996, 264 SCRA 211, 221.

[31] It carries the title "Providing for the Organization of the Civil Service Commission in Accordance with the Provisions of the Constitution, Prescribing its Powers and Functions and for Other Purposes."

[32] **Section 37.** *Disciplinary Jurisdiction.*

(a) The Commission shall decide upon appeal all administrative disciplinary cases involving the imposition of a penalty of suspension for more than thirty days, or fine in an amount exceeding thirty days' salary, demotion in rank or salary or transfer, removal or dismissal from Office. A complaint may be filed directly with the Commission by a private citizen against a government official or employee in which case it may hear and decide the case or it may deputize any department or agency or official or group of officials to conduct the investigation. The results of the investigation shall be submitted to the Commission with recommendation as to the penalty to be imposed or other action to be taken.

(b) The heads of departments, agencies and instrumentalities, provinces, cities and municipalities shall have jurisdiction to investigate and decide matters involving disciplinary action against officers and employees under their jurisdiction. Their decisions shall be final in case the penalty imposed is suspension for not more than thirty days or fine in an amount not exceeding thirty days' salary. In case the decision rendered by a bureau or office head is appealable to the Commission, the same may be initially appealed to the department and finally to the Commission and pending appeal, the same shall be executory except when the penalty is removal, in which case the same shall be executory only after confirmation by the department head.

(c) An investigation may be entrusted to regional director or similar officials who shall make the necessary report and recommendation to the chief of bureau or office or department within the period specified in Paragraph d of the following Section.

(d) An appeal shall not stop the decision from being executory, and in case the penalty is suspension or removal, the respondent shall be considered as having been under the preventive suspension during the pendency of the appeal in the event he wins an appeal.

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imposition of the penalty of suspension for more than thirty days; or fine in an amount exceeding thirty days' salary; demotion in rank or salary or transfer, removal or dismissal from office.

It bears to stress on this score that the CSC was able to acquire jurisdiction over the appeal of respondent merely upon its filing, followed by the submission of his memorandum on appeal. From that point, the appellate jurisdiction of the CSC at once attached, thereby vesting it with the authority to dispose of the case on the merits until it shall have been finally terminated.

Petitioner, however, takes exception. It notes that, while indeed the general rule is that jurisdiction continues until the termination of the case and is not affected by new legislation on the matter, the rule does not obtain where the new law provides otherwise, or where said law is intended to apply to actions pending before its enactment. Again, petitioner insists that E.O. No. 80 is a new legislation of a character belonging to one of the exceptions inasmuch as supposedly Section 6 thereof expressly sanctions its application to cases already pending prior to its enactment — particularly that provision which treats of the jurisdiction of the CSC.[33]

The argument is unconvincing.

In *Latchme Motoomull v. Dela Paz*,[34] the Court had dealt with a situation where jurisdiction over certain cases was transferred by a supervening legislation to another tribunal. *Latchme* involved a perfected appeal from the decision of the SEC and pending with the Court of Appeals at the time P.D. No. 902-A was enacted which transferred appellate jurisdiction over the decisions of the SEC from the Court of Appeals to the Supreme Court. On the question of whether the tribunal with which the cases were pending had lost jurisdiction over the appeal upon the effectivity of the new law, the Court ruled in the negative, citing the earlier case of *Bengzon v. Inciong*,[35] thus:

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[33] *Rollo*, pp. 39-40.

[34] G.R. No. 45302, July 24, 1990, 187 SCRA 743.

[35] G.R. Nos. L-48706-07, June 29, 1979, 91 SCRA 248.

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The rule is that where a court has already obtained and is exercising jurisdiction over a controversy, its jurisdiction to proceed to the final determination of the cause is not affected by new legislation placing jurisdiction over such proceedings in another tribunal. **The exception to the rule is where the statute expressly provides, or is construed to the effect that it is intended to operate as to actions pending before its enactment.** Where a statute changing the jurisdiction of a court has no retroactive effect, it cannot be applied to a case that was pending prior to the enactment of the statute.[36]

Petitioner derives support from the exceptions laid down in the cases of *Latchme Motoomull* and *Bengzon* quoted above. Yet, as discussed above, the provisions in Section 6 of E.O. No. 80 are too clear and unambiguous to be interpreted in such a way as to abort the continued exercise by the CSC of its appellate jurisdiction over the appeal filed before the privatization of PNB became effective. Suffice it to say that nowhere in the said Section can we find even the slightest indication that indeed it expressly authorizes the transfer of jurisdiction from the CSC to another tribunal over disciplinary and administrative cases already pending with the said Commission even prior to the enactment of the law.

All told, the Court finds that no error was committed by the Court of Appeals in reversing the twin resolutions issued by the CSC. The Court also agrees that because the merits of respondent's appeal with the said Commission have not been completely threshed out, it is only correct and appropriate to remand the case back to it for further proceedings.

With this disquisition, the Court finds it unnecessary to discuss the other issues propounded by the parties.

WHEREFORE, the petition is *DENIED*. The January 3, 2006 Decision of the Court of Appeals in CA-G.R. SP No. 50084, which reversed and set aside CSC Resolution

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[36] *Latchme Motoomull v. Dela Paz, supra* note 34, at 753-754. (Emphasis ours.)

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Nos. 980716 and 983099 and ordered the remand of the case to the CSC for further proceedings, is hereby *AFFIRMED.*

SO ORDERED.

Quisumbing, Acting C.J., Carpio, Corona, Carpio Morales, Chico-Nazario, Nachura, Leonardo-de Castro, Brion, Bersamin, and *Abad, JJ.,* concur.

Puno, C.J. and *Velasco, Jr., J.,* on official leave.

Del Castillo, J., on leave.

THIRD DIVISION

[G.R. No. 177809. October 16, 2009]

SPOUSES OMAR and MOSHIERA LATIP, *petitioners, vs.* **ROSALIE PALAÑA CHUA,** *respondent.*

SYLLABUS

1. REMEDIAL LAW; EVIDENCE; JUDICIAL NOTICE; REQUISITE OF NOTORIETY, NOT MET.— [I]t is apparent that the matter which the appellate court took judicial notice of does not meet the requisite of notoriety. To begin with, only the CA took judicial notice of this supposed practice to pay goodwill money to the lessor in the Baclaran area. Neither the MeTC nor the RTC, with the former even ruling in favor of Rosalie, found that the practice was of "common knowledge" or notoriously known. We note that the RTC specifically ruled that Rosalie, apart from her bare allegation, adduced no evidence to prove her claim that the amount of ₱2,570,000.00 simply constituted the payment of goodwill money. Subsequently, Rosalie attached an annex to her petition for review before the CA, containing a joint declaration under oath by other stallholders in Roferxane Bldg. that they had paid goodwill