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**SECOND DIVISION**

[G.R. No. 226590. April 23, 2018]

**SHIRLEY T. LIM, MARY T. LIM-LEON and JIMMY T. LIM,** *petitioners, vs.* **PEOPLE OF THE PHILIPPINES,** *respondent.*

**SYLLABUS**

**1. CRIMINAL LAW; REVISED PENAL CODE; FALSIFICATION OF PUBLIC DOCUMENTS; WHILE A BOARD RESOLUTION IS INDEED NOT A PUBLIC DOCUMENT WITHIN THE CONTEMPLATION OF THE RULES ON EVIDENCE, THE SECRETARY'S CERTIFICATE SQUARELY FALLS UNDER THIS CATEGORY, HENCE, THE CORRECT CHARGE OF FALSIFICATION OF PUBLIC DOCUMENT; CASE AT BAR.—** While a board resolution is indeed not a public document within the contemplation of Section 19(b), Rule 132 of the Revised Rules on Evidence, the Secretary's Certificate dated February 29, 2000 squarely falls under this category. And, since the said Secretary's Certificate specifically contained not only the supposed resolution passed by Pentel's Board of Directors, but also the signatures of all the board members who approved such resolution, then it can be concluded that all of the petitioners participated in the execution of the falsified Secretary's Certificate. Verily, the petitioners were correctly charged and convicted with the falsification of a public document, punishable under Article 172(1) of the RPC: x x x To be clear, Quintin was indisputably dead by the time Board Resolution 2000-001 was passed with his participation on February 25, 2000. **For this reason, Pentel's Corporate Secretary, in conspiracy with the other petitioners, falsified a public document by certifying under oath that Quintin was present during this board meeting and making it appear that he signed the resolution contained in the Secretary's Certificate, when in truth and in fact, he could not, as he was already dead at the time of its execution.** This is the main act of falsification committed by the petitioners, especially Shirley, who was the Corporate

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Secretary at that time. The fact that Quintin's signature appeared on the Secretary's Certificate corroborates this charge.

**2. REMEDIAL LAW; CRIMINAL PROCEDURE; MOTION TO QUASH; THE ACCUSED IS ALLOWED TO MOVE FOR THE QUASHAL OF THE COMPLAINT OR INFORMATION ON THE GROUND THAT THE CRIMINAL ACTION OR LIABILITY IS EXTINGUISHED; THE ACCUSED MAY RAISE PRESCRIPTION OF THE CRIME AT ANY STAGE OF THE PROCEEDING.—** Section 3(g), Rule 117 of the Rules of Criminal Procedure allows an accused to move for the quashal of the complaint or information on the ground that the criminal action or liability is extinguished. Generally, the accused should make the objection before entering his plea, otherwise, the accused is deemed to have waived this defense. However, Section 9, Rule 117 of the same Rules carves out an exception for grounds involving the extinguishment of the criminal action or liability, which includes the prescription of the crime. Even prior to the promulgation of the present Rules of Criminal Procedure, the Court in *People v. Castro* ruled that the accused may raise the prescription of the crime at any stage of the proceeding: x x x This doctrine was affirmed in the more recent case of *Syhunliong v. Rivera*, where the defense of prescription was raised only in the comment to the petition filed before the Court. Despite this belated objection, the Court upheld the right of the accused to invoke the prescription of the crime at any stage of the proceeding. Under these judicial pronouncements, the petitioners are not deemed to have waived this defense, even if they failed to move for the quashal of the information prior to their arraignment.

**3. CRIMINAL LAW; REVISED PENAL CODE; FALSIFICATION OF PUBLIC DOCUMENTS; FALSIFICATION OF PUBLIC DOCUMENTS FALLS WITHIN THE PURVIEW OF A CORRECTIONAL PENALTY WHICH PRESCRIBES IN TEN (10) YEARS, THE PERIOD OF PRESCRIPTION COMMENCES ON THE DATE OF REGISTRATION OF THE FORGED OR FALSIFIED DOCUMENT; ESTABLISHED IN CASE AT BAR.—** The petitioners were charged with the crime of falsification of a public document, punishable under Article 172 of the RPC. x x x Further, as this involves the crime of

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falsification of a public document, the imposable penalty under the RPC is *prision correccional* in its medium and maximum periods and a fine of not more than ₱5,000.00. This falls within the purview of a correctional penalty, which prescribes in ten (10) years. Article 90 of the RPC provides that the period for the prescription of offenses commences from the day on which the crime is *discovered* by the offended party, the authorities, or their agents. **But if the offense is *falsification of a public document* punishable under Article 172 of the RPC, as in this case, the period for prescription commences on the date of registration of the forged or falsified document.** x x x **Since the registration of all the documentary requirements for transfer of title, including the falsified Secretary's Certificate dated February 29, 2000, was made on March 29, 2000, this is the proper reckoning point from which the prescription of the crime of falsification of a public document began to run** x x x It is well-settled that the filing of the complaint in the fiscal's office interrupts the prescriptive period. Unfortunately, the records of this case do not show the date when Lucy's Affidavit of Complaint was filed. This Court notes, however, that the Affidavit of Complaint was executed on September 21, 2010, or more than ten (10) years from the time that prescription commenced to run on March 29, 2000. Considering that Lucy's complaint could not have been filed earlier than its date of execution, **prescription already set in by March 29, 2010, or approximately five (5) months before the execution of the complaint on September 21, 2010**. As a result, by the time the criminal Information charging the petitioners with falsification of a public document was filed on May 15, 2012, their criminal liability was already extinguished.

**APPEARANCES OF COUNSEL**

*Grapilon Chan & Pasana* for petitioners.
*Office of the Solicitor General* for respondent.

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## D E C I S I O N

**REYES, JR., *J.*:**

This is a Petition for Review on *Certiorari*[1] under Rule 45 of the Rules of Court, assailing the Decision[2] dated April 22, 2016 and Resolution[3] dated August 17, 2016 of the Court of Appeals (CA) in CA-G.R. CR No. 37336. The CA affirmed with modification the Decision[4] dated November 27, 2014 of the Regional Trial Court of Manila (RTC) in Criminal Case No. 14-305915, which in turn, affirmed the Decision[5] dated April 29, 2014 of the Metropolitan Trial Court of Manila (MeTC).

These decisions found petitioners Shirley T. Lim (Shirley), Mary T. Lim-Leon (Mary), and Jimmy T. Lim (Jimmy) (collectively referred to as the petitioners) guilty beyond reasonable doubt of the crime of falsification of a public document, punishable under Article 172, in relation to Article 171, of the Revised Penal Code (RPC).

### Factual Antecedents

The petitioners are siblings, all of whom are officers of Pentel Merchandising Co., Inc. (Pentel). Their father, Quintin C. Lim (Quintin), established Pentel.[6] Quintin died on September 16, 1996.[7]

In an Affidavit of Complaint dated September 21, 2010, one of Pentel's stockholders, Lucy Lim (Lucy), alleged that the petitioners falsified the Secretary's Certificate dated February

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[1] *Rollo*, pp. 15-56.

[2] *Id*. at 288-300.

[3] *Id*. at 315-316.

[4] *Id*. at 212-217.

[5] *Id*. at 172-178.

[6] *Id*. at 77 and 108.

[7] *Id*. at 66.

29, 2000, which in turn contained Pentel Board Resolution 2000-001 dated February 25, 2000.[8] This Board Resolution authorized Jimmy to dispose the parcel of land covered by Transfer Certificate of Title (TCT) No. 129824 registered in Pentel's name, located in P. Samonte Street, Pasay City (subject property).[9] Through this Secretary's Certificate, Jimmy was able to enter into a Deed of Absolute Sale on March 21, 2000,[10] conveying the subject property to the Spouses Emerson and Doris Lee (Spouses Lee). According to Lucy, the Secretary's Certificate dated February 29, 2000 bearing Board Resolution 2000-001 was falsified, because it was made to appear that Quintin signed it, despite having already died on September 16, 1996 — or, more than three (3) years from the time of its execution.[11]

On May 15, 2012, the criminal Information dated August 31, 2011 was filed with the MeTC, charging the petitioners and the Spouses Lee with the crime of falsification of a public document.[12] The pertinent portions of the Information state:

> That sometime in March 2000, in the City of Manila, Philippines, the said accused, conspiring and confederating together and helping one another, being then private individuals, did then and there willfully, unlawfully and feloniously forge and falsify, or cause to be forged and falsified a ***Secretary's Certificate and Board Resolution No. 2000-001*** dated February 25, 2000, purportedly executed by SHIRLEY LIM, MARY LIM LEON. JIMMY LIM, QUINTIN C. LIM and HENRY LIM, involving the disposal of a property measuring FIFTY[-]SIX SQUARE METERS and SEVENTY SQUARE DECIMETERS (56.70) located at P. Samonte Street, Pasay City, Metro Manila covered by (TCT) No. 129824, duly notarized by a Notary Public and therefore a public document, by feigning, imitating and counter-feiting (*sic*)

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[8] *Id*. at 318-319.

[9] *Id*. at 60.

[10] *Id*. at 169.

[11] *Id*. at 318.

[12] *Id*. at 58.

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or causing to be feigned, imitated and counterfeited the signature of QUINTIN C. LIM, appearing on the lower middle portion of the said ***Secretary's Certificate and find Board Resolution No. 2000-001***, thereby making it appear as it did appear that the said QUINTIN C. LIM had participated and intervened in the preparation and signing of the said document, when in truth and in fact, as the herein accused well knew, such was not the case in that the said QUINTIN C. LIM did not sign the said document, much less did he authorize the accused, or anybody else to sign his name or affix his signature thereon because the said QUINTIN C. LIM had died on September 16, 1996; that once the said ***Secretary's Certificate and Board Resolution No. 2000-001*** has been forged and falsified in the manner above set forth, the said accused succeeded in transferring the said property to SPOUSES EMERSON and DORRIS LIM LEE by virtue of Transfer Certificate of Title No. 142595, to the damage and prejudice of LUCY LIM and/or public interests.

Contrary to law.[13]

During trial, the prosecution presented Lucy and another sibling of the petitioners, Charlie C. Lim (Charlie), to prove the charge against them.[14] The Records Officer of the Registry of Deeds of Pasay City also testified for the prosecution, stating that TCT No. 129824 was cancelled by virtue of: (a) the Secretary's Certificate dated February 29, 2000 showing Board Resolution 2000-001; and (b) the Deed of Absolute Sale between Pentel and the Spouses Lee. Pentel's title was cancelled on March 29, 2000, and in lieu thereof, TCT No. 142595 was issued in the name of the Spouses Lee.[15]

The petitioners and the Spouses Lee opted not to present any evidence, believing that the prosecution's case against them was weak.[16]

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[13] *Id*.

[14] *Id*. at 74-141.

[15] *Id*. at 143-148.

[16] *Id*. at 174.

**Ruling of the MeTC**

In its Decision[17] dated April 29, 2014, the MeTC convicted the petitioners but acquitted the Spouses Lee, as the prosecution failed to prove their participation in the falsification of the Secretary's Certificate dated February 29, 2000 and Board Resolution 2000-001.[18]

The dispositive portion of the MeTC's decision reads:

> WHEREFORE, premises considered, the court, finding the guilt of the accused SHIRLEY LIM, MARY LIM, and JIMMY LIM for the crime charged to have been proven beyond reasonable doubt, and there being neither mitigating nor aggravating circumstances to affect their penal liability, hereby imposes and sentences the accused SHIRLEY LIM, MARY LIM, and JIMMY LIM an indeterminate penalty of IMPRISONMENT from two (2) years and four (4) months of *prision correccional* as minimum to four (4) years, nine (9) months and eleven (11) days of *prision correccional* as maximum with all the accessory penalties of the law, and a fine of Php 3,000.00 and to pay the costs.
>
> With respect to the accused DORRIS LIM LEE and EMERSON LEE, the court, finding the guilt of the accused for the crime charged not having been proven beyond reasonable doubt, hereby ACQUITS the said accused DORRIS LIM LEE and EMERSON LEE.
>
> No pronouncement on the civil liability for failure of the prosecution to prove that the acts complained of, from which civil liability might arise, exist.
>
> SO ORDERED.[19]

On May 7, 2014, the petitioners filed a Notice of Appeal from the MeTC's Decision dated April 29, 2014.[20]

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[17] *Id*. at 172.

[18] *Id*. at 177.

[19] *Id*. at 178.

[20] *Id*. at 180-182.

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**Ruling of the RTC**

In its Decision[21] dated November 27, 2014, the RTC denied the appeal and affirmed the assailed MeTC decision:

> WHEREFORE, the appeal is hereby DENIED and the Decision dated April 29, 2014 issued by the court *a quo* is AFFIRMED *in toto*.
>
> SO ORDERED.[22]

The petitioners, thus, filed their motion for reconsideration on January 5, 2015, and argued that the evidence of their guilt rests only on circumstantial evidence. According to the petitioners, there was no direct evidence that they falsified the signature of Quintin on Board Resolution 2000-001, which was embodied in the Secretary's Certificate dated February 29, 2000.[23] Both the private prosecutor and the Assistant City Prosecutor of Manila opposed the petitioners' motion.[24]

In an Order dated February 16, 2015, the RTC denied the petitioners' Motion for Reconsideration.[25] Aggrieved, the petitioners appealed to the CA *via* a petition for review under Rule 42 of the Rules of Court. They assailed the findings of the lower courts and denied that they are the material authors of Quintin's falsified signature. They also insisted that reasonable doubt exists as to their guilt because they do not stand to benefit from the falsified signature of their deceased father.[26]

**Ruling of the CA**

In a Resolution[27] dated March 26, 2015, the CA dismissed the appeal outright due to several formal defects in the petition.[28]

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[21] *Id*. at 213.

[22] *Id*. at 217.

[23] *Id*. at 219-225.

[24] *Id*. at 229-236.

[25] *Id*. at 238.

[26] *Id*. at 240-255.

[27] *Id*. at 258.

[28] *Id*.

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On April 24, 2015, the petitioners moved for the reconsideration of this resolution and submitted their compliance in order to rectify the deficiencies in their petition.[29] The CA later on reconsidered the outright dismissal of the petition in its Resolution dated September 4, 2015, and required the People to comment.[30]

After the submission of the People's Comment,[31] the CA rendered its Decision[32] dated April 22, 2016 denying the appeal and modifying the penalty in accordance with the Indeterminate Sentence Law, *viz*.:

> WHEREFORE, we DENY the appeal. The decision appealed from is AFFIRMED with MODIFICATION that the petitioners Shirley Lim, Mary Lim and Jimmy Lim are sentenced to a penalty of two (2) years and four (4) months of *prision correccional* as minimum to four (4) years, nine (9) months and ten (10) days of *prision correccional* as maximum.
>
> IT IS SO ORDERED.[33]

**The CA found that the petitioners clearly conspired with each other in making it appear that Quintin participated in Pentel's Board Meeting, as embodied in the Secretary's Certificate dated February 29, 2000 containing Board Resolution 2000-001.** It further stated that the petitioners cannot feign ignorance of the death of Quintin, especially since he was their father.[34]

The petitioners' subsequent Motion for Reconsideration[35] was denied in the CA's Resolution[36] dated August 17, 2016.

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[29] *Id*. at 260-268.

[30] *Id*. at 271-272.

[31] *Id*. at 274-285.

[32] *Id*. at 288.

[33] *Id*. at 299-300.

[34] *Id*. at 293-298.

[35] *Id*. at 302-308.

[36] *Id*. at 315-316.

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Not satisfied with the CA's affirmation of the MeTC and RTC's respective decisions, the petitioners filed the present Rule 45 petition before the Supreme Court, essentially submitting the same arguments already discussed before the lower courts.

In addition to their previous arguments, the petitioners raise for the first time the prescription of the offense, claiming that the crime should have been discovered at the latest on either: (a) March 21, 2000, the date of the Deed of Absolute Sale; or (b) March 29, 2000, the date TCT No. 142595 was issued in favor of the Spouses Lee.[37]

**Ruling of the Court**

The petition is partially meritorious.

**The petitioners were correctly charged with the crime of falsification of a public document.**

Preliminarily, the Court should address the argument of the petitioners regarding the supposedly erroneous charge of falsification of a public document against them. According to the petitioners, the evidence of the prosecution actually proved the falsification of Board Resolution 2000-001, a private document, instead of the Secretary's Certificate dated February 29, 2000. As the falsification of a private document requires proof of intention to cause damage, the petitioners argue that there is no evidence to establish this element. Furthermore, they point out that the prosecution failed to prove the existence of Board Resolution 2000-001 because they merely relied on the Secretary's Certificate in establishing its genuineness and due execution.[38]

Upon review of the Information, it is apparent that the subject matter of the falsification is the Secretary's Certificate dated February 29, 2000—a notarized document certifying that Pentel's Board of Directors passed Board Resolution 2000-001 in the

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[37] *Id*. at 46.

[38] *Id.* at 37-45.

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meeting held on February 25, 2000. Specifically, the Information accused the petitioners of conspiring with one another in falsifying the Secretary's Certificate dated February 29, 2000 and Board Resolution 2000-001, because Quintin, one of Pentel's directors, already died on September 16, 1996—long before the documents were executed with his supposed approval. It was further alleged that the petitioners falsified these documents through the following aces: (a) counterfeiting the signature of Quintin; (b) causing it to appear that Quintin participated in the preparation of these documents; and (c) by making an untruthful statement in a narration of facts.[39]

Thus, the prosecution offered the Secretary's Certificate dated February 29, 2000 for two purposes: *first*, to prove its existence and the fact that the petitioners falsified this public document by making an untruthful statement in a narration of facts; and *second*, to prove the existence of Board Resolution 2000-001, and that the petitioners made it appear that Quintin participated in its preparation by forging his signature.

While a board resolution is indeed not a public document within the contemplation of Section 19(b), Rule 132 of the Revised Rules on Evidence, the Secretary's Certificate dated February 29, 2000 squarely falls under this category. And, since the said Secretary's Certificate specifically contained not only the supposed resolution passed by Pentel's Board of Directors, but also the signatures of all the board members who approved such resolution, then it can be concluded that all of the petitioners participated in the execution of the falsified Secretary's Certificate. Verily, the petitioners were correctly charged and convicted with the falsification of a public document, punishable under Article 172(1) of the RPC:

Art. 171. *Falsification by public officer, employee or notary or ecclesiastic minister.* — The penalty of *prision mayor* and a fine not to exceed ₱5,000 pesos shall be imposed upon any public officer, employee, or notary who, taking advantage of his official position, shall falsify a document by committing any of the following acts:

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[39] *Id.* at 58.

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x x x x x x x x x

**4. Making untruthful statements in a narration of facts;**

x x x x x x x x x

Art. 172. *Falsification by private individual and use of falsified documents.* — The penalty of *prision correccional* in its medium and maximum periods and a fine of not more than ₱5,000 pesos shall be imposed upon:

1. **Any private individual who shall commit any of the falsifications enumerated in the next preceding article in any public or official document or letter of exchange or any other kind of commercial document;** x x x

x x x x x x x x x (Emphasis Ours)

To be clear, Quintin was indisputably dead by the time Board Resolution 2000-001 was passed with his participation on February 25, 2000. **For this reason, Pentel's Corporate Secretary, in conspiracy with the other petitioners, falsified a public document by certifying under oath that Quintin was present during this board meeting and making it appear that he signed the resolution contained in the Secretary's Certificate, when in truth and in fact, he could not, as he was already dead at the time of its execution.** This is the main act of falsification committed by the petitioners, especially Shirley, who was the Corporate Secretary at that time. The fact that Quintin's signature appeared on the Secretary's Certificate corroborates this charge.

The foregoing notwithstanding, it is more important to consider the allegation of the petitioners that the crime already prescribed.

**The prescription of the offense may be raised even for the first time on appeal.**

For the first time on appeal to the Court, the petitioners argue that despite the finding of their guilt, the crime with which they were charged already prescribed.[40]

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[40] *Id.* at 48.

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Section 3(g), Rule 117 of the Rules of Criminal Procedure allows an accused to move for the quashal of the complaint or information on the ground that the criminal action or liability is extinguished. Generally, the accused should make the objection before entering his plea,[41] otherwise, the accused is deemed to have waived this defense. However, Section 9, Rule 117 of the same Rules carves out an exception for grounds involving the extinguishment of the criminal action or liability, which includes the prescription of the crime.[42]

Even prior to the promulgation of the present Rules of Criminal Procedure, the Court in *People v. Castro*[43] ruled that the accused may raise the prescription of the crime at any stage of the proceeding:

> A case in point is *People v. Moran*, 44 Phil., 387. In that case, the accused was charged with a violation of the election law. He was found guilty and convicted and the judgment was affirmed, with slight modification, by the Supreme Court. Pending reconsideration of the decision, the accused moved to dismiss the case setting up the plea of prescription. After the Attorney General was given an opportunity to answer the motion, and the parties had submitted memoranda in support of their respective contentions, the court ruled that the crime had already prescribed holding that this defense can not (*sic*) de deemed waived even if the case had been decided by the lower court and was pending appeal in the Supreme Court. The philosophy behind this ruling was aptly stated as follows: "Although the general rule is that the defense of prescription is not available unless expressly set up in the lower court, as in that case it is presumed to have been waived and cannot be taken advantage of thereafter, yet this rule is not always of absolute application in criminal cases, such as that in which prescription of the crime is expressly provided by law, for the State not having then the right to prosecute, or continue prosecuting, nor to punish, or continue punishing, the offense, or to continue holding the defendant subject to its action through the imposition of the penalty, the court must so declare." And elaborating on this proposition, the Court went on to state as follows:

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[41] RULES OF COURT, Rule 117, Section 1.

[42] REVISED PENAL CODE, Article 89(5).

[43] 95 Phil. 462 (1954).

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> As prescription of the crime is the loss by the State of the right to prosecute and punish the same, it is absolutely indisputable that from the moment the State has lost or waived such right, the defendant may, at any stage of the proceeding, demand and ask that the same be finally dismissed and he be acquitted from the complaint, and such petition is proper and effective even if the court taking cognizance of the case has already rendered judgment and said judgment is merely in suspense, pending the resolution of a motion for a reconsideration and new trial, and this is the more so since in such a case there is not yet any final and irrevocable judgment.

The ruling above adverted to squarely applies to the present case. Here, the rule provides that the plea of prescription should be set up before arraignment, or before the accused pleads to the charge, as otherwise the defense would be deemed waived; but, as was well said in the Moran case, this rule is not of absolute application, especially when it conflicts with a substantive provision of the law, such as that which refers to prescription of crimes. Since, under the Constitution, the Supreme Court has only the power to promulgate rules concerning pleadings, practice and procedure, and the admission to the practice of law, and cannot cover substantive rights (section 13, article VIII, of the Constitution), the rule we are considering cannot be interpreted or given such scope or extent that would come into conflict or defeat an express provision of our substantive law. One of such provisions is article 89 of the [RPC] which provides that the prescription of crime has the effect of totally extinguishing the criminal liability. And so we hold that the ruling laid down in the Moran case still holds good even if it were laid down before the adoption of the present Rules of Court.[44]

This doctrine was affirmed in the more recent case of *Syhunliong v. Rivera*,[45] where the defense of prescription was raised only in the comment to the petition filed before the Court. Despite this belated objection, the Court upheld the right of the accused to invoke the prescription of the crime at any stage of the proceeding.[46]

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[44] *Id.* at 464-466.

[45] 735 Phil. 349 (2014).

[46] See also *Recebido v. People*, 400 Phil. 752, 758-759 (2000).

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Under these judicial pronouncements, the petitioners are not deemed to have waived this defense, even if they failed to move for the quashal of the information prior to their arraignment.

**The crime of falsification of a public document charged against the petitioners already prescribed.**

The petitioners were charged with the crime of falsification of a public document, punishable under Article 172 of the RPC. They were accused of making it appear that Quintin, who died on September 16, 1996, participated in a board meeting with Pentel's Board of Directors occurring three (3) years after his death, or on February 25, 2000. This was accomplished by falsifying the signature of Quintin on Board Resolution 2000-001. **The crime was fully consummated through the execution of the Secretary's Certificate dated February 29, 2000, which certified under oath that such meeting happened with the participation of Quintin, and that Board Resolution 2000-001 was passed with his approval.**[47] This Secretary's Certificate allowed Jimmy to dispose of the subject property on behalf of Pentel, which is quoted in full below:

I, SHIRLEY LIM, of legal age, Filipino and with business address at Taft Office Center Bldg., 1986 Taft Avenue, Pasay City, after having been duly sworn to in accordance with law depose and state:

1. That I am the Corporate Secretary of PENTEL MERCHANDISING CO., INC., a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with SEC Registration No. 54070 and with principal office at same as above;

2. **That at a special meeting of the Board of Directors of the corporation held on February 25, 2000 at its principal office, the following resolutions were unanimously approved by the directors present**, to wit:

**RESOLUTION 2000-001**

"**RESOLVED, that the corporation PENTEL MERCHANDISING CO., INC., by virtue of a special meeting**

[47] *Rollo*, p. 58.

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**held today (February 25, 2000) unanimously approved Resolution 2000-001, stating among others to wit:**

1. **That, the corporation decided to dispose its real property (a residential townhouse) located at P. Samonte Street, Pasay City, under Transfer Certificate of Title No. - 129824, at the soonest possible time;**

2. **That, the corporation's Board of Directors hereby appointed and empowered MR. JIMMY LIM, the corporation's President to transact, sign, deal and accept payment for and on behalf of the corporation with regard to the aforementioned properties;**

3. **That, all transactions being done by said MR. JIMMY LIM, with regard to the disposal of the aforesaid properties will be honored by the corporation.**"

**APPROVED AND SIGNED by the undersigned Members of the Board of Directors, this 25th day of February 2000 at the City of Pasay, Philippines**

| | | |
|---|---|---|
| (Signature) | | (Signature) |
| MARY LIM LEON | | SHIRLEY LIM |
| (Signature) | **(Signature)** | (Signature) |
| JIMMY LIM | **QUINTIN C. LIM** | HENRY LIM |

IN WITNESS WHEREOF, I hereby set my hand this 29th day of February 2000.

(Signature)
SHIRLEY LIM
Corporate Secretary[48]

(Emphasis Ours)

Since the above-quoted Secretary's Certificate dated February 29, 2000 was notarized, it is considered a public document pursuant to Section 19(b), Rule 132 of the Revised Rules on Evidence:

Sec. 19. *Classes of Documents*. — For the purpose of their presentation in evidence, documents are either public or private.

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[48] *Id*. at 60.

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Public documents are:

x x x x x x x x x

**(b) Documents acknowledged before a notary public except last wills and testaments**; and

x x x x x x x x x

All other writings are private. (Emphasis Ours)

Further, as this involves the crime of falsification of a public document, the imposable penalty under the RPC is *prision correccional* in its medium and maximum periods and a fine of not more than ₱5,000.00.[49] This falls within the purview of a correctional penalty,[50] which prescribes in ten (10) years.[51]

Article 90 of the RPC provides that the period for the prescription of offenses commences from the day on which the crime is *discovered* by the offended party, the authorities, or their agents.[52] **But if the offense is *falsification of a public document* punishable under Article 172 of the RPC, as in this case, the period for prescription commences on the date of registration of the forged or falsified document.**[53]

As consistently applied in land registration proceedings, the act of registration serves as a constructive notice to the entire world, charging everyone with knowledge of the contents of the document. In *People v. Reyes*,[54] the Court justified the application of this rule in criminal cases as follows:

The rule is well-established that registration in a public registry is a notice to the whole world. **The record is constructive notice**

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[49] REVISED PENAL CODE, Article 172; See also *Republic Act No. 10951*. Section 26 in relation to REVISED PENAL CODE, Article 21.

[50] REVISED PENAL CODE, Article 25.

[51] *Id*. at Article 90.

[52] *Id*. at Article 91.

[53] *Cabral v. Hon. Puno, etc., et al.*, 162 Phil. 814, 820-821 (1976); *People v. Hon. Villalon*, 270 Phil. 637, 647 (1990).

[54] 256 Phil. 1015 (1989).

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**of its contents as well as all interests, legal and equitable, included therein.** All persons are charged with knowledge of what it contains [Legarda and Prieto v. Saleeby, 31 Phil. 590 (1915); Garcia v. Court of Appeals, G.R. Nos. L-48971 and 49011, January 22, 1980, 95 SCRA 380; Hongkong and Shanghai Banking Corporation v. Pauli, et al., G.R. No. L-38303, May 30, 1988, 161 SCRA 634; See also Sec. 52, Pres. Decree No. 1529 (1978)].

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The practical factor of securing for civil suits the best evidence that can be obtained is also a major consideration in criminal trials. However, the law on prescription of crimes rests on a more fundamental principle. Being more than a statute of repose, it is an act of grace whereby the state, after the lapse of a certain period of time, surrenders its sovereign power to prosecute the criminal act. While the law on prescription of civil suits is interposed by the legislature as an impartial arbiter between two contending parties, the law on prescription of crimes is an act of amnesty and liberality on the part of the state in favor of the offender [People v. Moran, supra, at p. 405]. Hence, in the interpretation of the law on prescription of crimes, that which is most favorable to the accused is to be adopted [People v. Moran, supra; People v. Parel, 44 Phil. 437 (1923); People v. Yu Hai, 99 Phil. 725 (1956)]. **The application of the rule on constructive notice in the construction of Art. 91 of the [RPC] would most certainly be favorable to the accused since the prescriptive period of the crime shall have to be reckoned with earlier, i.e., from the time the notarized deed of sale was recorded in the Registry of Deeds.**In the instant case, the notarized deed of sale was registered on May 26, 1961. The criminal informations for falsification of a public document having been filed only on October 18, 1984, or more than ten (10) years from May 26, 1961, the crime for which the accused was charged has prescribed. The [CA], therefore, committed no reversible error in affirming the trial court's order quashing the two informations on the ground of prescription.[55] (Emphasis Ours)

Significantly, Section 51 of Presidential Decree No. 1529, otherwise known as the Property Registration Decree, provides that the act of registration with the Register of Deeds is considered the **operative act** to convey or affect the land "insofar as third

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[55] *Id*. at 1022.

persons are concerned." Thus, if the transaction is not registered with the Register of Deeds, only the parties are bound by the contract and innocent third persons are not affected. Section 52 of the same law further states:

> Sec. 52. *Constructive notice upon registration*. Every conveyance, mortgage, lease, lien, attachment, order, judgment, instrument or entry affecting registered land shall, **if registered, filed or entered in the office of the Register of Deeds for the province or city where the land to which it relates lies, be constructive notice to all persons from the time of such registering, filing or entering**. (Emphasis Ours)

For voluntary transactions such as sale, registration is commenced upon the owner's presentation of the duplicate certificate to the Register of Deeds, together with the voluntary instrument.[56] The Register of Deeds then registers the instrument in the primary entry book, and makes a corresponding memorandum on the owner's duplicate and original certificate.[57] **If the property belongs to a corporation, such as the subject property, the voluntary instrument should be accompanied by a secretary's certificate showing the board of directors' resolution for the approval of the sale of the corporation's property.**[58]

It should be emphasized at this point that the corporation's real property may only be sold through the agents expressly authorized by the board of directors to act on behalf of the corporation. Since a corporation is a juridical entity, the physical act of executing the deed of sale may be done only through the corporation's officers or agents, duly authorized for this purpose by its board of directors.[59] This authority should be reduced in

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[56] *Presidential Decree No. 1529 (1978),* Sections 53 and 57.

[57] *Autocorp Group and Autographics, Inc. v. Court of Appeals*, 481 Phil. 298, 310 (2004).

[58] See *Ampil v. Office of the Ombudsman, et al.*, 715 Phil. 733, 766 (2013), citing <http://nreaphilippines.com/question-on-philippine-real-estate/land-registration-procedure> visited last July 21, 2013. (Emphasis Ours)

[59] CORPORATION CODE, Section 23; See also *Swedish Match Phils., Inc. v. The Treasurer of the City of Manila*, 713 Phil. 240, 247 (2013).

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writing as evidence that such authority exists, and more importantly, because this involves the creation or conveyance of real rights over immovable property.[60]

Thus, considering all these corporate requirements, the board resolution for the sale of the corporation's real property, must reflect two important items, *i.e.* (a) the board of directors' collective approval of the sale; and (b) the board of directors' grant of authority to a natural person, who would act as the corporation's agent for such sale.

The evidence of such board resolution to the public is the **secretary's certificate**. In this document, the corporate secretary certifies under oath, that on a particular date, the board of directors met and resolved to approve the sale of the corporation's real property, and to authorize a specific natural person to act on behalf of the corporation for this transaction.[61]

The secretary's certificate thus serves as the corporation's official document showing the corporate actions approved by its board of directors, as well as the extent and scope of authority necessarily conferred to its agents for the execution and implementation of such actions. *Vis-á-vis* natural persons, this secretary's certificate is equivalent to the special power of attorney (SPA) that an individual executes to designate an agent, who would act on their behalf for a particular transaction, such as a sale.

In the present case, the corporate action of Pentel's Board of Directors was the approval of the sale of its land, particularly described in the corresponding board resolution. For this sale, Pentel 's Board of Directors, including Quintin, designated Jimmy as Pentel's agent in all transactions involving the disposition and conveyance of the subject property. All this information was contained in Board Resolution 2000-001, signed by all the petitioners, which in turn was embodied in the notarized Secretary's Certificate dated February 29, 2000.[62] However,

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[60] CIVIL CODE OF THE PHILIPPINES, Article 1874, cited in *Litonjua, Jr. v. Eternit Corporation*, 523 Phil. 588, 608-609 (2006).

[61] CIVIL CODE OF THE PHILIPPINES, Article 1358.

[62] *Rollo*, p. 60.

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as earlier emphasized, Quintin could not have participated, much less approved Board Resolution 2000-001 during the board meeting on February 25, 2000, because he was already dead at that time. The petitioners, therefore, falsified a public document by untruthfully stating that Quintin was among the members of Pentel's Board of Directors that approved the sale of the subject property.

Pursuant to and by virtue of the authority stated in the falsified Secretary's Certificate, Jimmy subsequently entered into the Deed of Absolute Sale with the Spouses Lee on March 21, 2000.[63]

Thereafter, on March 29, 2000, the conveyance to the Spouses Lee was registered with the Register of Deeds of Pasay City, through the submission of the Secretary's Certificate dated February 29, 2000 and the Deed of Absolute Sale dated March 21, 2000. The annotation on Pentel's title (TCT No. 129824) reveals that the registration resulted in its cancellation and the issuance of a new one in favor of the Spouses Lee.[64] **This was further corroborated by the Records Officer from the Register of Deeds of Pasay City, who testified that Pentel's title was cancelled when the Secretary's Certificate dated February 29, 2000, alongside the Deed of Absolute Sale dated March 21, 2000, were presented for registration.**[65]

While the voluntary instrument in this case refers to the Deed of Absolute Sale executed between Pentel (as represented by Jimmy) and the Spouses Lee, the constructive notice rule nonetheless still covers the falsified Secretary's Certificate that was registered together with the voluntary instrument. The rule on constructive notice charges the entire world with knowledge of the document's **contents**, including "**all interests, legal and equitable, included therein**"[66] and of "**facts that the public record contains**."[67] These facts and contents necessarily include

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[63] *Id*. at 169-170.

[64] *Id*. at 64.

[65] *Id*. at 174.

[66] *People v. Reyes*, *supra* note 54, at 1022-1023.

[67] *Id*.

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the authority granted to Jimmy, especially since the real property subject of this case was registered in the name of Pentel, which, as a juridical entity, may act only through its Board of Directors or duly authorized officers or agents.

It should be further borne in mind that when the sale of a piece of land, or any interest therein, is made through an agent (such as Jimmy in this case), the grant of authority must be in writing, otherwise, the sale itself is void.[68] The grant of power to the agent must also be expressly stated in clear and unmistakable language;[69] otherwise, only acts of administration are deemed conferred.[70] As previously mentioned, a corporation grants authority to its representative through its board of directors, which issues a board resolution relative to the appointment of an agent. The corporate secretary then certifies this board resolution under oath, pursuant to Article 1358(1) of the Civil Code.

Accordingly, whether the party to the sale of a real property is a natural or a juridical person, as long as it is entered into by someone other than its registered owner, the written authority of the party's representative is an explicit requirement to the validity of the sale itself. While the Register of Deeds is not required to inquire into the intrinsic validity of the transaction and should, as a matter of course, record the instrument presented for registration, this ministerial duty is subject to the condition that *all* the requisites for registration are present.[71] In the absence

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[68] CIVIL CODE OF THE PHILIPPINES, Article 1874; See also CIVIL CODE OF THE PHILIPPINES, Article 1878(5) and (12).

[69] *Bautista-Spille v. NICORP Management and Dev't. Corp., et al.*, 771 Phil. 492, 501-502 (2015); *Spouses Alcantara, et al. v. Nido*, 632 Phil. 343, 352 (2010).

[70] *Bautista-Spille v. NICORP Management and Development Corporation, et al., id.* at 502, citing *Veloso v. Court of Appeals*, 329 Phil. 398, 405 (1996); CIVIL CODE OF THE PHILIPPINES, Article 1877.

[71] *Presidential Decree No. 1529*, Section 10.

of a prescribed requirement, the Register of Deeds acts in excess of their authority should they proceed to register the instrument.[72]

**Clearly, the registration of the falsified Secretary's Certificate dated February 29, 2000, which proves the authority granted in favor of Jimmy, is indispensable for the validity of the sale of Pentel's property and for this sale to take effect as against third persons.** Without this document being presented for registration, the Register of Deeds of Pasay City cannot effectively transfer the title of Pentel to the Spouses Lee, absent any basis that the Deed of Absolute Sale dated March 21, 2000 was executed under the authority of Pentel's Board of Directors.[73]

Likewise, as one of the documents submitted to the Register of Deeds of Pasay City for registration, **the falsified Secretary's Certificate forms part of the public record**. As such, Lucy and all other third persons were charged with knowledge of- not only the sale or the conveyance of the subject property— but also of the fact that Jimmy acted on behalf of Pentel by virtue of the Secretary's Certificate dated February 29, 2000, which certified Board Resolution 2000-001. Charging Lucy with constructive knowledge of only the sale of Pentel's real property, without similarly putting her and the entire world on notice of the Secretary's Certificate dated February 29, 2000, disregards the relevant statutory provisions on the requirements for the sale of real property or the transfer of real rights.

As the Court held in *Cayton, et al. v. Zeonnix Trading Corp., et al.*,[74] the nature and scope of the constructive notice rule is as follows:

> When a conveyance has been properly recorded, such record is constructive notice of its **contents and all interests, legal and equitable, included therein**. Under the rule of notice, it is presumed that the purchaser has examined **every instrument of record** affecting

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[72] See *Ampil v. Ombudsman*, *supra* note 58.

[73] *Id*.

[74] 618 Phil. 136 (2009).

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the title. Such presumption is irrefutable. **He is charged with notice of every fact shown by the record and is presumed to know every fact which an examination of the record would have disclosed.** This presumption may not be overcome by proof of innocence or good faith. Otherwise, the very purpose and object of the law requiring a record would be destroyed. Such presumption may not be defeated by proof of want of knowledge of what the record contains, any more than one may be permitted to show that he was ignorant of the provisions of the law. The rule that all persons must take notice of the facts that the public record contains is a rule of law. The rule must be absolute. Any variation would lead to endless confusion and useless litigation.[75] (Emphasis Ours)

As an essential part of the public record, and as an indispensable element to the sale of Pentel's subject property, the constructive notice rule may be appropriately applied to the falsified Secretary's Certificate dated February 29, 2000.

Squarely applicable to the present case is the Court's ruling in *People v. Hon. Villalon*,[76] in which the public document subject of the case was a notarized SPA authorizing the accused to mortgage a parcel of land for purposes of securing a bank loan. Both the mortgage contract and the SPA were registered with the Registry of Deeds. It was later on discovered that the SPA was falsified, which resulted in the filing of an information charging the accused with *estafa* through the falsification of a public document. The accused later on filed a motion to dismiss raising the issue of prescription of the crime. The Court applied the constructive notice rule, and clarified that the prescriptive period commenced to run "from the time the offended party had constructive notice of the alleged forgery after the document was **registered** with the Register of Deeds."[77]

Remarkably, while the transaction in *Villalon* referred only to the mortgage, the Court nonetheless considered the

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[75] *Id.* at 150.

[76] 270 Phil. 637 (1990); see also *People v. Sandiganbayan*, 286 Phil. 347 (1992).

[77] *People v. Villalon*, *id.* at 645-646.

accompanying registration of the falsified SPA as constructive notice of the crime. **In other words, the registration of the mortgage deed, together with the falsified SPA, commenced the running of the prescriptive period for the crime.**

**Since the registration of all the documentary requirements for transfer of title, including the falsified Secretary's Certificate dated February 29, 2000, was made on March 29, 2000, this is the proper reckoning point from which the prescription of the crime of falsification of a public document began to run.** From this date of registration, there was constructive notice of the falsification to the entire world, including the complainant Lucy. She and all other persons were charged with the knowledge of the falsified Secretary's Certificate dated February 29, 2000, beginning on March 29, 2000.

Having established that the prescriptive period started on March 29, 2000—not from Lucy's actual discovery of the transfer of title, it is now pertinent to discuss whether the prescriptive period has lapsed.

Article 91 of the RPC provides:

> Art. 91. *Computation of prescription of offenses*. — The period of prescription shall commence to run from the day on which the crime is discovered by the offended party, the authorities, or their agents, and shall be **interrupted by the filing of the complaint or information**, and shall commence to run again when such proceedings terminate without the accused being convicted or acquitted, or are unjustifiably stopped for any reason not imputable to him.
>
> The term of prescription shall not run when the offender is absent from the Philippine Archipelago. (Emphasis Ours)

It is well-settled that the filing of the complaint in the fiscal's office interrupts the prescriptive period.[78] Unfortunately, the records of this case do not show the date when Lucy's Affidavit of Complaint was filed. This Court notes, however, that the

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[78] *Francisco, et al. v. Court of Appeals, et al.*, 207 Phil. 471, 477 (1983); *People v. Bautista*, 550 Phil. 835, 839 (2007).

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Affidavit of Complaint was executed on September 21, 2010, or more than ten (10) years from the time that prescription commenced to run on March 29, 2000. Considering that Lucy's complaint could not have been f iled earlier than its date of execution, **prescription already set in by March 29, 2010, or approximately five (5) months before the execution of the complaint on September 21, 2010**.

As a result, by the time the criminal Information charging the petitioners with falsification of a public document was filed on May 15, 2012, their criminal liability was already extinguished. On this ground alone, the case against the petitioners should have been dismissed. The State already lost its right to prosecute and punish the petitioners for the crime subject of Criminal Case No. 467715-CR then filed with the MeTC.

In light of the fact that the petitioners' criminal liability is extinguished, there is no reason to discuss the other arguments raised in the petition. The Court, nonetheless, emphasizes that the merits of the parties' arguments as to the petitioners' guilt were not simply brushed aside. The Court, however, is bound to observe the basic substantive law providing for the prescription of offenses.

**WHEREFORE,** premises considered, the petition is **GRANTED**. The Decision dated April 22, 2016 and Resolution dated August 17, 2016 of the Court of Appeals in CA-G.R. CR No. 37336 are hereby **REVERSED** and **SET ASIDE**, and Criminal Case No. 467715-CR against petitioners Shirley T. Lim, Mary T. Lim-Leon and Jimmy T. Lim is hereby ordered **DISMISSED**.

**SO ORDERED.**

*Carpio,*[*] *Acting C.J. (Chairperson), Peralta, Perlas-Bernabe,* and *Caguioa, JJ.*, concur.

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[*] Designated as Acting Chief Justice per Special Order No. 2539 dated February 28, 2018.