FIRST DIVISION

[G.R. No. 278819. April 08, 2026]

VICTOR R. DEL ROSARIO RICE MILL CORPORATION, PETITIONER, VS. HON. REY LEONARDO B. GUERRERO, IN HIS OFFICIAL CAPACITY AS COMMISSIONER OF [THE BUREAU OF] CUSTOMS, ATTY. ERASTUS SANDINO AUSTRIA, IN HIS OFFICIAL CAPACITY AS DISTRICT COLLECTOR OF CUSTOMS MANILA INTERNATIONAL CONTAINER PORT AND THE BUREAU OF CUSTOMS, RESPONDENTS.

D E C I S I O N

HERNANDO, J.:

Before the Court is a Petition for Review on *Certiorari*[1] filed by petitioner Victor R. Del Rosario Rice Mill Corporation (Del Rosario Rice Mill) challenging the Decision[2] dated July 18, 2024 of the Court of Tax Appeals (CTA) *En Banc* in CTA EB No. 2731. The CTA *En Banc* denied Del Rosario Rice Mill's petition and affirmed the Decision[3] dated June 28, 2022 and the Resolution[4] dated January 20, 2023 of the CTA Special Second Division dismissing Del Rosario Rice Mill's petition for lack of jurisdiction.[5]

The Antecedents

Del Rosario Rice Mill imports rice pursuant to its allocation under the 2017-2018 Minimum Access Volume Rice Importation Program of the National Food Authority (NFA). For the February to September 2018 subject shipments, Del Rosario Rice Mill applied for the respective import permits with the NFA. One of the requirements for the issuance of an import permit is the advance payment of custom duties and taxes. Del Rosario Rice Mill complied and certain amounts were applied and remitted to the Bureau of Customs (BOC) through the Bureau of Treasury via the LandBank of the Philippines' Debit Advice dated July 27, 2018 and January 9, 2018.[6] The NFA issued the import permits for the subject shipments on various dates between February and September 2018. Subsequently, Del Rosario Rice Mill filed goods declaration or import entries for the subject shipments from March 20, 2018 to October 17, 2018.[7]

On January 12, 2019, Manila International Container Port District Collector Atty. Erastus Austria (MICP District Collector Austria) and Customs Operations Officer Ma. Phililia Emilina Palaganas sent Notice to Pay[8] to Del Rosario Rice Mill via electronic

mail as evidenced by a print-out of the electronic mail with the particular date and time of the sent electronic mail.[9] Del Rosario Rice Mill averred that it never received any electronic mail.[10] The notice contained that the subject shipments were listed in the inventory of assessed but not yet paid shipments of June to December 2018. It was recommended that an Order of Abandonment be issued pursuant to Section 1129 (c) of the Customs Modernization and Tariff Act because no payment of duties and taxes was made and the 15-day period to do so had already lapsed. Del Rosario Rice Mill was instructed to immediately pay the corresponding duties and taxes, otherwise the subject shipments would be deemed abandoned.[11]

Del Rosario Rice Mill followed up with the BOC for the release of the subject shipments on January 24, 2019, only to discover the issuance of the order of abandonment.[12] MICP District Collector Austria declared in the Decrees of Abandonment that notice to pay was sent to Del Rosario Rice Mill via electronic mail, and there was implied abandonment for the latter's failure to pay the corresponding customs duties, taxes, and charges.[13]

On even date, Del Rosario Rice Mill filed a Letter-Appeal dated January 23, 2019 before MICP District Collector Austria. It mentioned that it had no intention to abandon the subject shipments.[14] On January 25, 2019, it filed two Letter-Appeals before the BOC to lift the Decrees of Abandonment and to release the subject shipments. In said letters, it attributed the delay in filing to the late transmission of shipping documents and undue delay in the processing of import permits, among others.[15] On February 7, 2019, Del Rosario Rice Mill likewise filed motions to set aside or recall the order of abandonment covering several of the subject shipments.[16]

MICP District Collector Austria issued an Order on February 27, 2019 which affirmed the decrees of abandonment "without prejudice to claimant's right to appeal to the Customs Commissioner pursuant to Section 3 of CMO No. 18-2014 (Guidelines on Lifting and Order of Abandonment)."[17] In the April 1, 2019 Consolidated Order,[18] Customs Commissioner Rey Leonardo Guerrero (Customs Commissioner Guerrero) affirmed the order of abandonment of the subject shipments issued by the MICP District Collector Austria.[19] On May 2, 2019, Customs Commissioner Guerrero also approved the request of MICP District Collector Austria for the public auction of the subject shipments, which Del Rosario Rice Mill received on May 8, 2019.[20] Aggrieved, Del Rosario Rice Mill filed a petition before the CTA on May 21, 2019, which was raffled to the CTA's Special Second Division.[21]

Ruling of the CTA Special Second Division

In the June 28, 2022 Decision, the appellate court dismissed Del Rosario Rice Mill's petition for lack of jurisdiction. Customs Commissioner Guerrero's assailed Consolidated Order which affirmed MICP District Collector Austria's Order dated February 27, 2019 is not a decision that is appealable and reviewable by the CTA.[22]

An appeal before Customs Commissioner Guerrero on or before the lapse of the 15-day period from Del Rosario Rice Mill's receipt of the Consolidated Order should have been filed. The Consolidated Order becomes final and executory after the lapse of the period to file an appeal. Consequently, the petition for review filed before the CTA on May 21, 2019 must necessarily fail because a decision of the customs commissioner, if not appealed, becomes final both as against the importer and the government.[23]

Additionally, there was no denial of due process.[24] Del Rosario Rice Mill, as a seasoned importer, was presumed to have known the arrival of its shipments, hence, notice was no longer necessary. Despite due notice through electronic mail, Del Rosario Rice Mill still failed to pay the required customs duties and taxes within the prescribed period. It was deemed to have received the notice to pay after the successful transmittal of the electronic mail. MICP District Collector Austria was justified in exercising the right to issue the Decrees of Abandonment against Del Rosario Rice Mill for the latter's non-payment of duties and taxes.[25]

The *fallo* of the decision reads in this wise:

> **WHEREFORE,** in light of the foregoing considerations, the instant Petition for Review filed by petitioner Victor R. Del Rosario Rice Mill Corporation on [May 21, 2019] is hereby **DISMISSED** for lack of jurisdiction.
>
> **SO ORDERED.**[26] (Emphasis in the original)

In the Resolution[27] dated January 20, 2023, Del Rosario Rice Mill's motion for reconsideration[28] was denied for lack of merit.[29] Thereafter, Del Rosario Rice Mill elevated the case to the CTA *En Banc*.[30]

Ruling of the CTA En Banc

In its Decision[31] dated July 18, 2024, the CTA *En Banc* affirmed the division's decision.[32] The CTA *En Banc* pronounced that its division had no jurisdiction to rule on the petition pursuant to Customs Memorandum Order No. 17-2019 which was already in effect when Del Rosario Rice Mill received the Consolidated Order in May 2019. The remedies provided for under Customs Memorandum Order No. 17-2019 require exhaustion of administrative remedies before a judicial appeal may proceed.[33]

Similarly, there was no violation of due process because the service of notice through electronic means is merely permitted for regular importers under Section 1129 of the Customs Modernization and Tariff Act. A notice to pay was sent via electronic mail on January 12, 2019, and the additional requirement of acknowledgment receipt set forth in Customs Memorandum Order No. 16-2019 cannot be applied as such issuance was merely signed by Customs Commissioner Guerrero on March 25, 2019.[34]

Lastly, the CTA *En Banc* clarified that the alleged advance payment of custom duties and taxes in relation to the shipments debited from Del Rosario Rice Mill's account did not automatically translate to actual payment of duties and taxes. Instead, the amounts were merely earmarked for future payments to the BOC, and the crediting of amount to the latter's account will only be processed upon issuance of assessment notices.[35]

The dispositive portion of the decision reads:

> **ACCORDINGLY,** premises considered, the instant Petition for Review is hereby **DENIED**. The Decision, dated June 28, 2022, and the Resolution, dated January 20, 2023, of the Court's Special Second Division are hereby **AFFIRMED.**
>
> **SO ORDERED**.[36] (Emphasis in the original)

Del Rosario Rice Mill files the instant petition.[37]

Petitioner mainly avers that the CTA erred in dismissing the petition on the ground of lack of jurisdiction,[38] in holding that the rule on exhaustion of administrative remedies applies to the case,[39] and in denying its right to reclaim the subject shipments.[40]

Petitioner contends that the Customs Commissioner's Resolution[41] of May 2, 2019, which approved the auction of the subject shipments, may be classified under "other matters arising under the Customs Law" which the CTA has exclusive appellate jurisdiction to review by appeal under Republic Act No. 9282.[42] It argues that several of the exceptions to the exhaustion of administrative remedies are evident in the present case.[43] Lastly, there is a violation of the right to due process and requiring it to appeal first the decrees of abandonment to the customs commissioner would be a futile exercise because "it is quite improbable that the [customs commissioner] would reverse the [consolidated order]."[44]

On the other hand, respondents customs commissioner, MICP district collector and the BOC maintain the following: first, the CTA has no jurisdiction because the Consolidated Order dated April 1, 2019 was already final and executory, and that the consolidated order was not in the nature of a decision of the customs commissioner which may be appealed to the CTA.[45] Second, the decrees of abandonment were issued after due notice of petitioner's tax deficiencies as provided under Section 1129 of the Customs Modernization and Tariff Act, Customs Memorandum Order No. 16-2019 and Customs Administrative Order No. 17-2019, hence, there was no violation of its right to due process.[46] Third, the declaration of "deemed abandoned" subject shipments was made in accordance with Section 1129 of the Customs Modernization and Tariff Act. Petitioner, a regular and old-time importer, who is presumed to be familiar with the customs duties and taxes to be paid, failed to pay such even with notice sent.[47] Lastly, the alleged advance payment of duties and taxes through the

LandBank debit advice was part of the regulatory requirements of the NFA for the issuance of import permits.[48]

Issues

The related issues may be condensed: *first*, whether the CTA has jurisdiction over Del Rosario Rice Mill's petition for review. And *second*, whether its right to due process was violated.

Our Ruling

The petition is without merit.

Prefatorily, it is significant to first resolve the procedural issues involving the CTA's jurisdiction and the rule on exhaustion of administrative remedies. The central provisions in resolving both procedural issues are found in Republic Act No. 1125,[49] as amended by Republic Act No. 9282,[50] and in Customs Memorandum Order No. 17-2019.[51]

Section 7 of Republic Act No. 1125, as amended by Republic Act No. 9282, delineates:

> SEC. 7. *Jurisdiction*. — The CTA shall exercise:
>
> (a) Exclusive appellate jurisdiction to review by appeal, as herein provided:
>
> ….
>
> (4) Decisions of the Commissioner of Customs in cases involving liability for customs duties, fees or other money charges, seizure, detention or release of property affected, fines, forfeitures or other penalties in relation thereto, or other matters arising under the Customs Law or other laws administered by the Bureau of Customs[.]

Items 5 and 6 of Customs Memorandum Order No. 17-2019 explain:

5. The Decision of the District Collector duly confirmed by the Office of the Commissioner shall become final and executory within fifteen (15) days from receipt by the owner/importer/consignee of the questioned Order/Decree/Decision unless appealed to the Commissioner in the manner and time specified in Section 114 of the [Customs Modernization and Tariff Act], which allows appeal from any decision/omission of the Bureau pertaining to an importation; exportation, or any legal claim.

6. The appeal shall set forth new/specific arguments/grounds not raised in the Motion to Recall/Lift/Reconsider/Set Aside any Order/Decree/Decision of Abandonment and with arguments which were simply glossed over, overlooked and/or not treated at all in the appealed Decision.

In general, the CTA exercises exclusive appellate jurisdiction over decisions of the customs commissioner. The CTA in division hears the appeals from the final decisions or actions of the customs commissioner at first instance.[52] Nevertheless, the principle on the exhaustion of administrative remedies comes into play before judicial review may be triggered unless the circumstance fall within the exceptions of the principle.[53]

Items 5 and 6 of the Customs Memorandum Order No. 17-2019 elucidate that the decision of the district collector which is confirmed by the customs commissioner may be appealed to the latter provided that the appeal advances new or specific arguments, or arguments which were overlooked or not threshed out in the appealed decision. The decision becomes final and executory after the lapse of the 15 days from receipt by the importer of the challenged order, decree, or decision.

As properly resolved by the CTA, it did not have jurisdiction over the petition because the Consolidated Order of April 1, 2019 by the customs commissioner was already final and executory when the petition was filed with the CTA on May 21, 2019.[54] Following the principle of exhaustion of administrative remedies and pursuant to items 5 and 6 of the Customs Memorandum Order No. 17-2019, the recourse of Del Rosario Rice Mill was to appeal the April 1, 2019 Consolidated Order to the customs commissioner within 15 days reckoned from May 3, 2019, the date of its receipt of the consolidated order. Otherwise, the decision becomes final and executory, as in this case. While Del Rosario Rice Mill received the May 2, 2019 Resolution of the customs commissioner approving MICP district collector's request to auction the subject shipments on May 8, 2019, this circumstance did not stall the period or fall under the exceptions to the exhaustion of administrative remedies.

Additionally, Del Rosario Rice Mill advanced several circumstances that would bolster its contention that the exhaustion of administrative remedies is inapplicable in the present case.[55] The contentions fail to persuade. *De Leon v. Asombrado-Llacuna*[56] enumerated several of the exceptions in this wise:

> The doctrine, however, is not without exceptions. Among the exceptions are: (1) where there is estoppel on the part of the party invoking the doctrine; (2) where the challenged administrative act is patently illegal, amounting to lack of jurisdiction; (3) where there is unreasonable delay or official inaction that will irretrievably prejudice the complainant; (4) where the amount involved is relatively so small as to make the rule impractical and oppressive; (5) where the question involved is purely legal and will ultimately have to be decided by the courts of justice; (6) where judicial intervention is urgent; (7) where the application of the doctrine may cause great and irreparable damage; (8) where the controverted acts violate due process; (9) where the issue of non-exhaustion of administrative remedies had been rendered moot; (10) where there is no other plain, speedy and adequate remedy; (11) where strong public interest is involved; and (12) in quo warranto proceedings.[57]

These exceptions and the ones advanced[58] by Del Rosario Rice Mill are not apparent in the present case. Notably, its right to due process was not violated because it was sufficiently informed at the crucial stages before the matter reached the approval for auction of the subject shipments. As a regular and veteran importer, Del Rosario Rice Mill has familiarity with the existing procedures and rules in rice importation, and the notice sent to it via electronic mail substantially complied with the due notice requirement set forth in Section 4.4.1.a[59] of the Customs Administrative Order No. 17-2019 and Section 1129 (c)[60] of the Customs Modernization and Tariff Act. Furthermore, the other exceptions, i.e., patently illegal administrative action, urgency of judicial intervention, no plain, speedy, and adequate remedy, exhaustion of administrative remedies would be unreasonable and would amount to a nullification of the claim, were distinctly clarified by the CTA *En Banc* and the CTA Special Second Division in their respective decisions which were reinforced by the Customs Modernization and Tariff Act and the applicable customs administrative and memorandum orders existing during the pendency of the case. These exceptions were clearly inapplicable in the instant case. Consequently, the principle of exhaustion of administrative remedies should have been observed.

Given the foregoing, the Court is constrained to hold that the CTA is bereft of jurisdiction to take cognizance of Del Rosario Rice Mill's petition. None of the recognized exceptions to the principle of exhaustion of administrative remedies finds application under the attendant circumstances and presented facts. In fine, there is no necessity to delve into the other issues raised. In the absence of any compelling legal basis, the Court accords respect to the findings of the CTA *En Banc* and the CTA Special Second Division.

FOR THESE REASONS, the Petition is **DENIED**. The Decision dated July 18, 2024 of the Court of Tax Appeals *En Banc* in CTA EB No. 2731 is **AFFIRMED**.

SO ORDERED."

Gesmundo, C.J. (Chairperson), Zalameda, Rosario, and *Marquez, JJ.*, concur.

---

[1] *Rollo*, pp. 7-36.

[2] *Id.* at 41-62. The July 18, 2024 Decision in CTA EB No. 2731 was penned by Associate Justice Maria Rowena Modesto-San Pedro and concurred in by Associate Justices Ma. Belen M. Ringpis-Liban, Catherine T. Manahan, Jean Marie A. Bacorro-Villena, Marian Ivy F. Reyes-Fajardo, Lanee S. Cui-David, Corazon G. Ferrer-Flores, and Henry S. Angeles of the *En Banc*, Court of Tax Appeals, Quezon City. Presiding Justice Roman G. Del Rosario inhibited.

[3] *Id.* at 69-124. The June 28, 2022 Decision in CTA Case No. 10082 was penned by Associate Justice Jean Marie A. Bacorro-Villena and concurred in by Associate Justice

Lanee S. Cui-David of the Special Second Division, Court of Tax Appeals, Quezon City.

[4] *Id.* at 125-138. The January 20, 2023 Resolution in CTA Case No. 10082 was penned by Associate Justice Jean Marie A. Bacorro-Villena and concurred in by Associate Justice Lanee S. Cui-David of the Special Second Division, Court of Tax Appeals, Quezon City.

[5] *Id.* at 123.

[6] *Id.* at 42-43. Per LBP's Debit Advice dated July 27, 2018, the amount authorized was PHP 350,929,225.00 for the advance payment for customs duties under 2018 NFA Rice Importation Program, and the amount applied and remitted was PHP 283,386,825.00. Whereas per LBP's Debit Advice dated January 9, 2018, the amount authorized was PHP 41,324,794.00 for the advance payment for customs duties under the 2017 NFA Rice Importation Program, and the amount applied and remitted was PHP 27,969,220.00.

[7] *Id.* at 43.

[8] *Id.*

[9] *Id.*

[10] *Id.*

[11] *Id.*

[12] *Id.* at 44.

[13] *Id.*

[14] *Id.* at 45.

[15] *Id.*

[16] *Id.*

[17] *Id.*

[18] *Id.*

[19] *Id.* at 45-46.

[20] *Id.* at 46.

[21] *Id.*

[22] *Id.* at 117.

[23] *Id.* at 118.

[24] *Id.*at 118-123.

[25] *Id.* at 121-123.

[26] *Id.* at 123.

[27] *Id.* at 125-138.

[28] *Id.* at 125.

[29] *Id.* at 138.

[30] *Id.* at 41.

[31] *Id.* at 41-62.

[32] *Id.* at 61.

[33] *Id.* at 49-51.

[34] *Id.* at 54-57.

[35] *Id.* at 57-61.

[36] *Id.* at 61.

[37] *Id.* at 7-36.

[38] *Id.* at 18-26.

[39] *Id.* at 30-34.

[40] *Id.* at 26-30.

[41] *Id.* at 23.

[42] *Id.*

[43] *Id.* at 32-34.

[44] *Id.* at 23-24.

[45] *Id.* at 184-191.

[46] *Id.* at 192-196.

[47] *Id.* at 196-202.

[48] *Id.* at 202-207.

[49] An Act Creating the Court of Tax Appeals (1954).

[50] An Act Expanding the Jurisdiction of the Court of Tax Appeals (CTA), Elevating Its Rank to the Level of a Collegiate Court with Special Jurisdiction and Enlarging its Membership, Amending for the Purpose Certain Sections of Republic Act No. 1125, as amended, otherwise known as the Law Creating the Court of Tax Appeals, and for Other Purposes (2004).

[51] Guidelines on the Recall/Lifting/Reconsideration/Setting Aside of Any Order/Decree/Decision of Abandonment (2019).

[52] **Bureau of Customs v. Jade Bros. Farm and Livestock, Inc.**, 916 Phil. 69, 82-83 (2021) [Per J. Lopez, J., First Division].

[53] *Id.* at 84-85.

[54] *Rollo*, pp. 117-118.

[55] *Id.* at 33-34.

[56] 920 Phil. 457 (2022) [Per J. Gaerlan, First Division].

[57] *Id.* at 467, *citing* **Department of Finance v. Dela Cruz, Jr.**, 767 Phil. 611, 621 (2015) [Per J. Carpio, Second Division].

[58] *Rollo*, pp. 33-34.

[59] The required notice shall be sent to the registered email...

> ….
> Notwithstanding their failure to acknowledge duly sent notices..., the same shall be deemed received upon successful transmittal thereof.

[60] The due notice requirement under this section may be provided by the Bureau through electronic notice or personal service[.]

Source: Supreme Court E-Library | Date created: April 22, 2026
This page was dynamically generated by the E-Library Content Management System