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institution. This, *vis-à-vis* Section 7 of the Comprehensive Agrarian Reform Law, negates any doubt on its being covered by the Comprehensive Agrarian Reform Law.

WHEREFORE, the Petition is **DENIED**. The assailed October 13, 2016 Decision and July 19, 2017 Resolution of the Court of Appeals in CA-G.R. SP No. 134933 are **AFFIRMED**.

SO ORDERED.

Peralta (*Chairperson*), *Reyes, A. Jr., Hernando*, and *Inting, JJ.*, concur.

THIRD DIVISION

[G.R. No. 234446. July 24, 2019]

VICTORIA MANUFACTURING CORPORATION EMPLOYEES UNION, *petitioner, vs.* **VICTORIA MANUFACTURING CORPORATION,** *respondent.*

SYLLABUS

1. REMEDIAL LAW; CIVIL PROCEDURE; JURISDICTION; IN ORDER TO VALIDLY TRY A CIVIL CASE, A COURT MUST POSSESS JURISDICTION OVER THE SUBJECT MATTER AND JURISDICTION OVER THE PARTIES; JURISDICTION OVER THE SUBJECT MATTER, EXPLAINED.— Jurisdiction is the power of a court, tribunal, or officer to hear, try, and decide a case. The seminal *ponencia* in *El Banco Español-Filipino v. Palanca* instructs that a court, in order to validly try a civil case, must be possessed of two types of jurisdiction: (1) jurisdiction over the subject matter; and (2) jurisdiction over the parties. Relevant to the resolution of the issue raised in this case is the first, which, broadly defined,

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is "the power to hear and determine the general class to which the proceedings in question belong" or, in the words of *Palanca*, "the authority of the court to entertain a particular kind of action or to administer a particular kind of relief." Emanating from the sovereign authority that organizes courts, jurisdiction over the subject matter is conferred by law. It is determined by the allegations in the complaint based on the character of the relief sought. Verily, if the relief sought is the payment of a certain sum of money, the complaint must be filed before the court on which the law bestows the power to grant money judgments of that amount. If the complaint is filed before any other court, the only power that court has is to dismiss the case. It is axiomatic that a judgment rendered by a court without jurisdiction over the subject matter produces no legal effect.

2. ID.; ID.; ID.; LACK OF JURISDICTION IS A SERIOUS DEFECT THAT MAY BE RAISED ANYTIME, EVEN FOR THE FIRST TIME ON APPEAL SINCE IT IS A DEFENSE THAT IS NOT SUBJECT TO WAIVER; BY WAY OF EXCEPTION, THE DOCTRINE OF ESTOPPEL BY LACHES, MAY OPERATE TO BAR JURISDICTIONAL CHALLENGES, EXPLAINED.— At this juncture, it should be stated that lack of jurisdiction is a serious defect that may be raised anytime, even for the first time on appeal, since it is a defense that is not subject to waiver. However, by way of exception, the doctrine of estoppel by laches, pursuant to the ruling in *Tijam, et al. v. Sibonghanoy*, may operate to bar jurisdictional challenges. In that case, lack of jurisdiction was raised for the first time only in a motion for reconsideration filed before the CA fifteen (15) years after the commencement of the action. Prior thereto, the party that belatedly raised the jurisdictional issue had actively participated in the proceedings before the trial and appellate courts, seeking affirmative relief and, thereafter, submitting the case for adjudication on the merits. Based on public policy considerations, it was ruled that jurisdiction could no longer be questioned. The Court held that no tolerance should be afforded to the practice of submitting a case for resolution, only to accept a favorable judgment, and to raise a jurisdictional issue in case of a decision that is adverse. Estoppel by laches has been broadly defined as "failure or neglect for an unreasonable and unexplained length of time, to do that which, by exercising due diligence, could or should have been done earlier." As applied to jurisdictional challenges, it is the

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failure to timely raise a court's lack of jurisdiction, ultimately resulting in a binding judgment, not because said judgment is valid as an adjudication, but because public policy looks with disfavor on the belated invocation of jurisdictional issues.

3. ID.; ID.; ID.; ID.; IT MUST BE EMPHASIZED THAT THE GENERAL RULE REMAINS TO BE THAT JURISDICTION IS NOT TO BE LEFT TO THE WILL OR STIPULATION OF THE PARTIES, IT CANNOT BE LOST BY ESTOPPEL, AND THE COURTS MUST EXERCISE THE HIGHEST DEGREE OF CAUTION IN THEIR APPLICATION OF ESTOPPEL TO BAR JURISDICTIONAL CHALLENGES.— Notwithstanding the unequivocal dictum in *Sibonghanoy*, it must be emphasized that the general rule remains to be that jurisdiction is not to be left to the will or stipulation of the parties; it cannot be lost by estoppe1. Such emphasis is called for because, as the Court pointed out in *Calimlim, et al. v. Hon. Ramirez, etc., et al.*, a jurisprudential trend was starting to emerge where estoppel was applied to bar jurisdictional challenges even in situations not contemplated by *Sibonghanoy*. Consequently, *Figueroa v. People* sought to elucidate on the proper application of *Sibonghanoy*, x x x [I]t is clear that estoppel will not operate to confer jurisdiction upon a court, save in the most exceptional of cases. Without a law that grants the power to hear, try, and decide a particular type of action, a court may not, regardless of what the parties do or fail to do, afford any sort of relief in any such action filed before it. It follows then that, in those cases, any judgment or order other than one of dismissal is void for lack of jurisdiction. This must be the rule since no less than the Constitution provides that it is a function of the Congress to define, prescribe, and apportion the jurisdiction of courts. Nevertheless, jurisprudence has recognized that situations may arise where parties, as a matter of public policy, must be bound by judgments rendered even without jurisdiction. Such situations, however, are exceptional, and courts must exercise the highest degree of caution in their application of estoppel to bar jurisdictional challenges. That said, where the circumstances of a particular case are comparable to those attendant in *Sibonghanoy*, jurisdictional issues may no longer be entertained, and the doctrine of estoppel by laches will effectively bind the parties to the judgment rendered therein regardless of whether the dispensing court was vested with jurisdiction by statute. In such situations, lack of jurisdiction must be invoked so belatedly

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so as to give rise to "a presumption that the party entitled to assert it either has abandoned it or declined to assert it." The rule that estops a party from assailing the jurisdiction of a court finds like application in proceedings before administrative boards and officers that possess quasi-judicial power. This approach is sensible, as no germane differences exist between such bodies, on one hand, and courts, on the other, when it comes to belated jurisdictional challenges. It cannot be gainsaid that it is just as deplorable to tardily raise a jurisdictional issue before a court as it is to do so before an administrative tribunal.

APPEARANCES OF COUNSEL

Conchingyan & Partners Law Offices for respondent.

D E C I S I O N

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

Like courts, administrative boards and officers vested with quasi-judicial power may only exercise jurisdiction over matters that their enabling statutes confer in them. This rule applies even though the parties hold out to the administrative agency concerned that it has jurisdiction over a particular dispute. Generally, lack of jurisdiction may be raised at any time, and is a defense that cannot be lost. However, by way of narrow exception, the doctrine of estoppel by laches, which rests on considerations of public policy, may effectively bar jurisdictional challenges. But it must be emphasized that the doctrine finds application only where the jurisdictional issue is so belatedly raised that it may be presumed o have been waived by the invoking party.

This is a petition for review on *certiorari*[1] questioning the May 26, 2017 Decision[2] and the August 30, 2017 Resolution[3]

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[1] *Rollo*, pp. 3-14.

[2] Penned by Associate Justice Amy C. Lazaro-Javier (now a member of the Court), with Associate Justices Manuel M. Barrios and Pedro B. Corales concurring; *id*. at 16-30.

[3] *Id*. at 32.

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rendered by the Court of Appeals (CA) in CA-G.R. SP No. 146672, through which the May 26, 2016 Decision[4] of Voluntary Arbitrator (VA) Renato Q. Bello was set aside insofar as the respondent, Victoria Manufacturing Corporation (VMC), was ordered to reimburse the income tax withheld from the salaries of the members of the petitioner, Victoria Manufacturing Corporation Employees Union (VMCEU).

The Factual Antecedents

VMC is a domestic corporation engaged in the textile business. Aside from dyeing and finishing fabrics, it manufactures laces, embroidered and knitted fabrics, and hooks and eyes.[5]

On the other hand, VMCEU is the sole and exclusive bargaining agent of the permanent and regular rank-and-file employees within the pertinent bargaining unit of VMC.[6]

Through a letter dated March 14, 2014, VMC sought the opinion of the Bureau of Internal Revenue (BIR) on the tax implications of the wage structure that was stipulated in the collective bargaining agreement (CBA) between the company and VMCEU. At the time, the applicable minimum wage was ₱466.00, broken down into a basic wage of ₱451.00 and a cost of living allowance (COLA) of ₱15.00, as mandated by Wage Order No. NCR-18. This was different from the company's wage structure, which integrated the COLA into the total wage it paid VMCEU's members, *viz.*:[7]

	VMC wage structure pursuant to the CBA	Minimum wage mandated by Wage Order No. NCR-18
Basic wage	₱466.00	₱ 415.00
COLA	n/a	₱ 51.00
TOTAL	₱466.00	₱ 466.00

[4] *Id.* at 122-132.

[5] *Id.* at 122.

[6] *Id.*

[7] *Id.* at 19-20.

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In response to VCM's letter, the BIR opined that VMCEU's members were not exempt from income tax, as what they were earning was above the statutory minimum wage mandated by Wage Order No. NCR-18.[8]

As a result, VMC withheld the income tax due on the wages of VMCEU's members.

On May 8, 2015, VMC and VMCEU held a grievance meeting to settle various issues, including the company's decision to withhold income tax from the wages of the union members who were earning the statutory minimum wage. Unfortunately, the parties failed to resolve the issue.[9]

After failing to reach an amicable settlement before the National Conciliation and Mediation Board, VMC and VMCEU executed a Submission Agreement,[10] designating AVA Renato Q. Bello to resolve whether the company properly withheld the income tax due from the union's members, among other issues.

After VMC and VMCEU submitted their respective position papers and replies, the case was submitted for decision.

The VA's Ruling

On May 26, 2016, the VA rendered a Decision in favor of VMCEU, ruling that VMC erroneously withheld income tax from the wages of the union's members. Ratiocinating that the subject employees were statutory minimum wage earners, it was held that they were exempt from the payment of income tax, pursuant to Republic Act (R.A.) No. 9504.[11] As such, the ruling contained an order directing the company to reimburse the withheld income tax, *viz*.:

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[8] *Id*. at 107.

[9] *Id*. at 20.

[10] *Id*. at 106.

[11] *Id*. at 128-129.

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WHEREFORE, premises considered, a decision is hereby rendered **ORDERING respondent VICTORIA MANUFACTURING CORPORATION** to:

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2.) reimburse all its rank-and-file minimum wage earners who are exempt from income taxes with the amounts it erroneously withheld.

x x x x x x x x x

SO DECIDED.[12]

Aggrieved, VMC sought relief before the CA through a petition for *certiorari*.[13]

The CA's Ruling

On May 26, 2017, the CA rendered the challenged Decision, reversing the VA's ruling. The appellate court, after brushing aside VMC's resort to the wrong remedy,[14] held that the jurisdiction of VAs is limited to labor disputes.[15] As such, the VA could not validly rule on the propriety of VMC's decision to withhold the income taxes of VMCEU's members, a matter properly within the competence of the BIR.[16] Hence, the CA set aside the VA's decision, *viz*.:

ACCORDINGLY, the petition is **GRANTED** and the assailed Decision dated May 26, 2016, **NULLIFIED**.

SO ORDERED.[17] (Emphasis in the original)

After the denial of its motion for reconsideration, VMCEU filed the instant petition, arguing that the CA should not have allowed VMC to question the VA's jurisdiction because the

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[12] *Id*. at 131.

[13] *Id*. at 133-156.

[14] *Id*. at 25.

[15] *Id*. at 27.

[16] *Id*. at 28.

[17] *Id*. at 29.

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company: (1) actively participated in the arbitration proceedings and, at the time, never raised lack of jurisdiction; and (2) voluntarily bound itself, through the Submission Agreement, to abide by the VA's decision.[18] Essentially, the union contends that the company was estopped from challenging the VA's jurisdiction.

The Issue

Whether or not the CA correctly set aside the VA's decision on the ground of lack of jurisdiction.

The Court's Ruling

The CA's decision is sustained.

Jurisdiction is the power of a court, tribunal, or officer to hear, try, and decide a case.[19]

The seminal *ponencia* in *El Banco Español-Filipino v. Palanca*[20] instructs that a court, in order to validly try a civil case, must be possessed of two types of jurisdiction: (1) jurisdiction over the subject matter; and (2) jurisdiction over the parties.[21] Relevant to the resolution of the issue raised in this case is the first, which, broadly defined, is "the power to hear and determine the general class to which the proceedings in question belong"[22] or, in the words of *Palanca*, "the authority of the court to entertain a particular kind of action or to administer a particular kind of relief."[23]

Emanating from the sovereign authority that organizes courts,[24] jurisdiction over the subject matter is conferred by law. It is

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[18] *Id*. at 11.

[19] *Anama v. Citibank, N.A. (formerly First National City Bank)*, G.R. No. 192048, December 13, 2017, 848 SCRA 459, 469.

[20] 37 Phil. 921 (1918).

[21] *Perkins v. Dizon*, 69 Phil. 186, 189 (1939).

[22] *Bilag, et al. v. Ay-Ay, et al.*, 809 Phil. 236, 243 (2017).

[23] *El Banco Español-Filipino v. Palanca*, *supra* note 20, at 927.

[24] *Id*.

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determined by the allegations in the complaint based on the character of the relief sought.[25] Verily, if the relief sought is the payment of a certain sum of money, the complaint must be filed before the court on which the law bestows the power to grant money judgments of that amount. If the complaint is filed before any other court, the only power that court has is to dismiss the case.[26] It is axiomatic that a judgment rendered by a court without jurisdiction over the subject matter produces no legal effect.[27]

The above principles apply analogously to administrative boards and officers exercising quasi-judicial power,[28] such as VAs constituted under the Labor Code.

Relevantly, the Labor Code vests in VAs the power to hear and decide labor disputes, *viz.*:

Art. 261. *Jurisdiction of Voluntary Arbitrators or panel of Voluntary Arbitrators.* The Voluntary Arbitrator or panel of Voluntary Arbitrators shall have original and exclusive jurisdiction to hear and decide all unresolved grievances arising from the interpretation or implementation of the Collective Bargaining Agreement and those arising from the interpretation or enforcement of company personnel policies x x x.

Art. 262. *Jurisdiction over other labor disputes.* The Voluntary Arbitrator or panel of Voluntary Arbitrators, upon agreement of the parties, shall also hear and decide all other labor disputes including unfair labor practices and bargaining deadlocks.[29]

Did the VA, pursuant to the above provisions, have jurisdiction to rule on the legality of VMC's act of withholding income tax from the salaries of VMCEU's members?

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[25] *Padlan v. Sps. Dinglasan*, 707 Phil. 83, 91 (2013).

[26] *Mitsubishi Motors Philippines Corporation v. Bureau of Customs*, 760 Phil. 954, 960 (2015).

[27] *Imperial, et al. v. Judge Armes, et al.*, 804 Phil. 439, 459 (2017).

[28] See *Machado, et al. v. Gatdula, et al.*, 626 Phil. 457 (2010).

[29] LABOR CODE, Book V, Title VII-A, Arts. 261-262.

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The answer is in the negative.

In *Honda Cars Philippines, Inc. v. Honda Cars Technical Specialist and Supervisors Union*,[30] the Court ruled that VAs have no competence to rule on the propriety of withholding of tax. That case concerned the withholding of income tax from union members relative to unused gasoline allowance. The company claimed that the benefit was tied up to a similar company policy enjoyed by managers and assistant vice-presidents, who were allowed to convert the unutilized portion of their monthly gasoline allowance into cash, subject to whatever tax may be applicable. Since the union and the company could not agree on the proper tax treatment of the converted allowance, the dispute was submitted to a Panel of VAs. In the arbitration proceedings, it was held that the company's act of withholding was improper since the cash conversion was not subject to income tax. When the case eventually reached the Court, the panel's decision was declared null and void on the ground that VAs have no jurisdiction to settle tax matters. Ruling that the jurisdiction of VAs is limited to labor disputes, the Court declared that the company and the union should have submitted the question to the Commissioner of Internal Revenue (CIR),[31] *viz.*:

> The [VA] has no competence to rule on the taxability of the gas allowance and on the propriety of the withholding of tax. These issues are clearly tax matters, and do not involve labor disputes. To be exact, they involve tax issues within a labor relations setting, as they pertain to questions of law on the application of Section 33 (A) of the [Tax Code]. They do not require the application of the Labor Code or the interpretation of the [Memorandum of Agreement] and/or company personnel policies. Furthermore, the company and the union cannot agree or compromise on the taxability of the gas allowance. Taxation is the State's inherent power; its imposition cannot be subject to the will of the parties.
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> Under paragraph 1, Section 4 of the [Tax Code], the CIR shall have the exclusive and original jurisdiction to interpret the provisions of the [Tax Code] and other tax laws, subject to review by the Secretary

[30] 747 Phil. 542 (2014).

[31] *Id.* at 549.

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of Finance. Consequently, if the company and/or the union desire/s to seek clarification of these issues, it/they should have requested for a tax ruling from the Bureau of Internal Revenue (BIR). x x x

x x x x x x x x x

On the other hand, if the union disputes the withholding of tax and desires a refund of the withheld tax, it should have filed an administrative claim for refund with the CIR. Paragraph 2, Section 4 of the [Tax Code] expressly vests the CIR original jurisdiction over refunds of internal revenue taxes, fees or other charges, penalties imposed in relation thereto, or other tax matters.[32] (Citations omitted)

Honda Cars espouses a sound view. The *ponencia* recognized that the jurisdiction of an administrative body must be confined to matters within its specialized competence. Since the withholding of tax from employees' salaries is governed by the Tax Code, disputes involving the propriety or legality of withholding should be submitted to the CIR, the administrative body vested with the power to interpret tax laws, and not the VA, whose jurisdiction is limited to labor disputes. After all, quasi-judicial bodies only possess jurisdiction over matters that are conferred upon them by their enabling statutes.[33]

Turning now to VMCEU's arguments, did VMC's execution of the Submission Agreement and active participation in the arbitration proceedings operate to rectify the VA's lack of jurisdiction?

Again, the answer is in the negative.

As mentioned above, jurisdiction is conferred by law. As a result, absent a statutory grant, the actions, representations, declarations, or omissions of a party will not serve to vest jurisdiction over the subject matter in a court, board, or officer.[34] Simply put, "judicial or quasi-judicial jurisdiction cannot be

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[32] *Id*. at 549-550.

[33] *Fruehauf Electronics Philippines Corporation v. Technology Electronics Assembly and Management Pacific Corporation*, 800 Phil. 721 , 743 (2016).

[34] *Machado, et al. v. Gatdula, et al.*, 626 Phil. 457, 468 (2010).

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conferred upon a tribunal by the parties alone."[35] As the Court explained in *La Naval Drug Corporation v. Court of Appeals*:[36]

> x x x Whenever it appears that the court has no jurisdiction over the subject matter, the action shall be dismissed. This defense may be interposed at any time, during appeal or even after final judgment. Such is understandable, as this kind of jurisdiction is conferred by law and not within the courts, let alone the parties, to themselves determine or conveniently set aside.[37] (Citations omitted)

At this juncture, it should be stated that lack of jurisdiction is a serious defect that may be raised anytime, even for the first time on appeal, since it is a defense that is not subject to waiver.[38]

However, by way of exception, the doctrine of estoppel by laches, pursuant to the ruling in *Tijam, et al. v. Sibonghanoy*,[39] may operate to bar jurisdictional challenges. In that case, lack of jurisdiction was raised for the first time only in a motion for reconsideration filed before the CA fifteen (15) years after the commencement of the action. Prior thereto, the party that belatedly raised the jurisdictional issue had actively participated in the proceedings before the trial and appellate courts, seeking affirmative relief and, thereafter, submitting the case for adjudication on the merits. Based on public policy considerations, it was ruled that jurisdiction could no longer be questioned. The Court held that no tolerance should be afforded to the practice of submitting a case for resolution, only to accept a favorable judgment, and to raise a jurisdictional issue in case of a decision that is adverse.[40]

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[35] *Fruehauf Electronics Philippines Corporation v. Technology Electronics Assembly and Management Pacific Corporation*, *supra* at 748.

[36] 306 Phil. 84 (1994).

[37] *Id*. at 96.

[38] *Boston Equity Resources, Inc. v. Court of Appeals*, 711 Phil. 451, 466 (2013).

[39] 131 Phil. 556 (1968)

[40] *Id*.

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Estoppel by laches has been broadly defined as "failure or neglect for an unreasonable and unexplained length of time, to do that which, by exercising due diligence, could or should have been done earlier."[41] As applied to jurisdictional challenges, it is the failure to timely raise a court's lack of jurisdiction, ultimately resulting in a binding judgment, not because said judgment is valid as an adjudication, but because public policy looks with disfavor on the belated invocation of jurisdictional issues.[42]

Notwithstanding the unequivocal dictum in *Sibonghanoy*, it must be emphasized that the general rule remains to be that jurisdiction is not to be left to the will or stipulation of the parties; it cannot be lost by estoppel.[43] Such emphasis is called for because, as the Court pointed out in *Calimlim, et al. v. Hon. Ramirez, etc., et al.*,[44] a jurisprudential trend was starting to emerge where estoppel was applied to bar jurisdictional challenges even in situations not contemplated by *Sibonghanoy*. Consequently, *Figueroa v. People*[45] sought to elucidate on the proper application of *Sibonghanoy*, *viz.*:

> The Court, thus, wavered on when to apply the exceptional circumstance in *Sibonghanoy* and on when to apply the general rule x x x expounded at length in *Calimlim*. The general rule should, however, be, as it has always been, that the issue of jurisdiction may be raised at any stage of the proceedings, even on appeal, and is not lost by waiver or by estoppel. Estoppel by laches, to bar a litigant from asserting the court's absence or lack of jurisdiction, only supervenes in exceptional cases similar to the factual milieu of [*Sibonghanoy*]. Indeed, the fact that a person attempts to invoke unauthorized jurisdiction of a court does not estop him from thereafter challenging its jurisdiction over the subject matter, since such jurisdiction must arise by law and not by mere consent of the parties. This is especially true where the person seeking to invoke unauthorized

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[41] *Regalado v. Go*, 543 Phil. 578, 598 (2007), citing *Oca v. Court of Appeals*, 428 Phil. 696, 702 (2002).

[42] *Tijam, et al. v. Sibonghanoy*, *supra* note 39, at 563-564.

[43] *Figueroa v. People*, 580 Phil. 58, 74 (2008).

[44] 204 Phil. 25, 35 (1982).

[45] *Supra* note 43, at 76.

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jurisdiction of the court does not thereby secure any advantage or the adverse party does not suffer any harm.[46] (Emphasis supplied)

The above pronouncement was more recently reiterated in *Adlawan v. Joaquino, et al.*[47] *viz.*:

We emphasize that our ruling in *Sibonghanoy* establishes an exception which is to be applied only under extraordinary circumstances or to those cases similar to its factual situation. The rule to be followed is that the lack of a court's jurisdiction is a non-waivable defense that a party can raise at any stage of the proceedings in a case, even on appeal; the doctrine of estoppel, being the exception to such non-waivable defense, must be applied with great care and the equity must be strong in its favor.[48] (Emphasis supplied)

Taking the foregoing into account, it is clear that estoppel will not operate to confer jurisdiction upon a court, save in the most exceptional of cases.[49] Without a law that grants the power to hear, try, and decide a particular type of action, a court may not, regardless of what the parties do or fail to do, afford any sort of relief in any such action filed before it. It follows then that, in those cases, any judgment or order other than one of dismissal is void for lack of jurisdiction.[50] This must be the rule since no less than the Constitution provides that it is a function of the Congress to define, prescribe, and apportion the jurisdiction of courts.[51] Nevertheless, jurisprudence has recognized that situations may arise where parties, as a matter of public policy, must be bound by judgments rendered even

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[46] *Id.*

[47] 787 Phil. 599 (2016).

[48] *Id.* at 611.

[49] *Duero v. Court of Appeals*, 424 Phil. 12, 23 (2002).

[50] *Figueroa v. People*, *supra* note 43, at 77-78.

[51] Pursuant to Article VIII, Section 2 of the Constitution, the Congress has the power to define, prescribe, and apportion the jurisdiction of various courts, except the Supreme Court, which may not be deprived of its jurisdiction over the cases defined under Section 5 of the same article. Further, pursuant to Article VI, Section 30, the Congress, with the Supreme Court's advice and concurrence, may increase the latter's appellate jurisdiction.

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without jurisdiction.[52] Such situations, however, are exceptional, and courts must exercise the highest degree of caution in their application of estoppel to bar jurisdictional challenges.[53] That said, where the circumstances of a particular case are comparable to those attendant in *Sibonghanoy*, jurisdictional issues may no longer be entertained, and the doctrine of estoppel by laches will effectively bind the parties to the judgment rendered therein regardless of whether the dispensing court was vested with jurisdiction by statute. In such situations, lack of jurisdiction must be invoked so belatedly so as to give rise to "a presumption that the party entitled to assert it either has abandoned it or declined to assert it."[54]

The rule that estops a party from assailing the jurisdiction of a court finds like application in proceedings before administrative boards and officers that possess quasi-judicial power. This approach is sensible, as no germane differences exist between such bodies, on one hand, and courts, on the other, when it comes to belated jurisdictional challenges. It cannot be gainsaid that it is just as deplorable to tardily raise a jurisdictional issue before a court as it is to do so before an administrative tribunal.[55] Thus, the Court must apply the preceding tenets to the case at bar.

Here, the Court cannot conclude that VMC was estopped from assailing the VA's jurisdiction.

First, lack of jurisdiction was timely raised. The record discloses that (1) the proceedings before the VA commenced with the execution of the Submission Agreement dated August 7, 2015;[56] and (2) the case was submitted for resolution on December 22, 2015, when VMC and VMCEU filed their

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[52] *Spouses Gonzaga v. Court of Appeals*, 442 Phil. 735, 742 (2002).

[53] *Duero v. Court of Appeals*, *supra* note at 49, at 21.

[54] *Sps. Erorita v. Sps. Dumlao*, 779 Phil. 23, 30 (2016), citing *Figueroa v. People*, *supra* note 43.

[55] *Far East Bank and Trust Company v. Chua*, 763 Phil. 289, 304-305 (2015).

[56] *Rollo*, p. 20.

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respective replies.[57] As soon as the VA rendered his Decision on May 26, 2016,[58] the company, through a petition for *certiorari* dated July 18, 2016,[59] immediately raised the jurisdictional issue before the CA. To be sure, not even a year had elapsed between the commencement of the arbitration proceedings and the invocation of the jurisdictional issue. By no stretch of the imagination can this be compared to the factual milieu of *Sibonghanoy*, where lack of jurisdiction was raised only 15 years after the case was filed. Hence, the temporal element of estoppel by laches *vis-a-vis* jurisdiction does not obtain in the case at bar.

Second, VMC never prayed for affirmative relief. In *Sibonghanoy*, the party that raised lack of jurisdiction, a bonding company, prayed that it be relieved of its liability under the bond subject of that case.[60] On the other hand, VMC, in the position paper that it filed before the VA, merely prayed that "the complaint of [VMCEU] be dismissed with prejudice for utter lack of merit."[61] Since all the company sought was the dismissal of the union's complaint, the former's prayer cannot be considered as one seeking affirmative relief.

Taking the foregoing into account, the public policy considerations attendant in *Sibonghanoy* find no application here so as to estop VMC from questioning the VA's jurisdiction.

WHEREFORE, the May 26, 2017 Decision and August 30, 2017 Resolution rendered by the Court of Appeals in CA-G.R. SP No. 146672 are **AFFIRMED.**

SO ORDERED.

Peralta (*Chairperson*), *Leonen, Hernando*, and *Inting, JJ.*, concur.

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[57] *Id.* at 21.

[58] *Id.* at 16.

[59] *Id.* at 155.

[60] *Tijam, et al. v. Sibonghanoy*, *supra* note 39.

[61] *Rollo*, p. 71.