

SPECIAL SECOND DIVISION

[G.R. No. 187425, July 18, 2012]

**COMMISSIONER OF CUSTOMS, PETITIONER, VS. AGFHA
INCORPORATED, RESPONDENT.**

R E S O L U T I O N

MENDOZA, J.:

For resolution is the Motion for Clarification/Correction^[1] filed by Agfha Incorporated (*respondent*) praying that the dispositive portion of the March 28, 2011 Decision of the Court be clarified and corrected insofar as the rate of interest on the obligation of the petitioner, Commissioner of Customs (*petitioner*), to respondent is concerned.

Records show that on October 18, 2005, the Second Division of the Court of Tax Appeals (CTA-2D) issued its Resolution^[2] holding petitioner liable to pay respondent the amount of US\$160,348.08, which represented the value of the subject lost shipment that was seized by petitioner from respondent, payable in Philippine currency and computed at the exchange rate prevailing at the time of actual payment. The dispositive portion of the CTA-2D Resolution reads, as follows:

WHEREFORE, premises considered, respondent Commissioner of Customs' "Motion for Partial Reconsideration" is hereby PARTIALLY GRANTED. The Resolution dated May 17, 2005 is hereby MODIFIED but only insofar as the Court did not impose the payment of the proper duties and taxes on the subject shipment. Accordingly, the dispositive portion of Our Resolution, dated May 17, 2005, is hereby MODIFIED to read as follows:

WHEREFORE, premises considered, the Bureau of Customs is adjudged liable to petitioner AGFHA, Inc. for the value of the subject shipment in the amount of ONE HUNPRE D SIXTY THOUSAND THREE HUNDRED FORTY EIGHT and 08/100 US Dollars (US\$160, 348. 08), subject, however, to the payment of the prescribed taxes and duties, at the time of the importation. The Bureau of Customs' liability may be paid in Philippine Currency, computed at the exchange rate prevailing at the time of actual

payment, with legal interests thereon at the rate of 6% per annum computed from February 1993 up to the finality of this Resolution. In lieu of the 6% interest, the rate of legal interest shall be 12% per annum upon finality of this Resolution until the value of the subject shipment is fully paid.

The payment shall be taken from the sale or sales of the goods or properties which were seized or forfeited by the Bureau of Customs in other cases.

SO ORDERED.

Petitioner appealed the October 18, 2005 Resolution of the CTA-2D to the CTA-En Banc (*CTA-EB*). On February 25, 2009, CTA-EB dismissed petitioner's appeal for lack of merit and *affirmed in toto* the CTA-2D Resolution. Petitioner then filed with this Court a petition for review challenging the February 25, 2009 Decision of the CTA-EB.

On March 28, 2011, this Court rendered its decision *affirming* the February 25, 2009 Decision of the CTA-EB, the dispositive portion of which reads:

Wherefore, the February 25, 2009 Decision of the Court of Tax Appeals En Banc in C.T.A. EB No. 136 is hereby AFFIRMED. The Commissioner of Customs is hereby ordered to pay, in accordance with law, the value of the subject lost shipment in the amount of US\$160,348.08, computed at the exchange rate prevailing at the time of actual payment after payment of the necessary customs duties.

In the subject Motion for Clarification/Correction, respondent notes that the portion in the CTA-2D Resolution, referring to the interests petitioner was directed to pay respondent as affirmed by the CTA-En Banc, was inadvertently omitted in the March 28, 2011 Decision of the Court. The pertinent portion reads: "with legal interests thereon at the rate of 6% per annum computed from February 1993 up to the finality of this Resolution. In lieu of the 6% interest, the rate of legal interest shall be 12% per annum upon finality of this Resolution until the value of the subject shipment is fully paid."

Respondent is of the view that the omission was simply due to inadvertence because the body of the decision contained no discussion or rationalization that intended to delete the interest on the liability of petitioner. Therefore, respondent prays that the Court's March 28, 2011 Decision be clarified and corrected to include the 6% and 12% rates of interests on petitioner's obligation, awarded in favor of respondent.

In his Comment, petitioner argues that the computation of the legal interest on the value of the subject lost shipment must be reckoned from August 13, 2004 when respondent made a

formal judicial demand of the value of its lost shipment, and not from February 1993, when the subject lost shipment was seized. Petitioner asserts that respondent is entitled to 6% per annum legal interest from August 13, 2004 until the finality of the CTA decision. Thereafter, the rate of legal interest shall be 12% per annum until petitioner fully pays its obligation.

The Court finds merit in the subject motion.

Indeed, the March 28, 2011 Decision of the Court *affirmed* the February 25, 2009 Decision of the CTA-EB which earlier *affirmed in toto* the October 18, 2005 Resolution of the CTA-2D. There were no statements in the Court's decision which in any way affected its final pronouncement as to the interest. It was, therefore, not deleted.

Considering that the October 15, 2005 CTA-2D Resolution was affirmed with finality, it could only mean that its pronouncement as to the payment of interest was sustained by the CTA-EB and by this Court. Unquestionably, the said CTA-2D Resolution has become final and executory and nothing can be done except to clarify it. Following the doctrine of immutability and inalterability of a final judgment, the said decision can no longer be modified, in any respect, either by the court which rendered it or even by this Court. Petitioner's stance of computing the legal interest on the value of the lost shipment from August 13, 2004 is barred by the final and executory character of the said decision. Hence, respondent is entitled to legal interest from February 1993 until petitioner pays the full amount of its obligation.

WHEREFORE, the Court clarifies that the decision in this case includes the payment of interest as stated in the October 18, 2005 Decision of the Second Division of the Court of Tax Appeals.

SO ORDERED.

Carpio, (Chairperson), Peralta, Bersamin, and Abad, JJ., concur.

[1] *Rollo*, pp. 242-246.

[2] CTA records, pp. 532-552.