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SECOND DIVISION

[G.R. No. 169352, February 13, 2009]

COMMISSIONER OF CUSTOMS, PETITIONER, VS. GELMART INDUSTRIES PHILIPPINES, INC., RESPONDENT.

D E C I S I O N

TINGA, J.:

The Commissioner of Customs assails the Decision[1] of the Court of Tax Appeals (CTA) dated August 15, 2005, which reversed the decree of forfeiture issued by petitioner, lifted the Warrants of Seizure and Detention (WSD) issued by petitioner, and ordered the release to Gelmart Industries Philippines, Inc. of its imported fabrics on the condition that the correct duties, taxes, fees and other charges thereon be paid to the Bureau of Customs.

The narration of facts by the CTA, although rather lengthy, is quoted hereunder for its accuracy:

> Petitioner is a corporation established in the year 1953 and is duly registered in accordance with Philippine laws, with office address at Km. 15 South Superhighway, Parañaque City. It is represented by its Corporate Secretary, Atty. Roberto v. Artadi.
>
> It is primarily engaged in the manufacturing of embroidery and apparel products for the export market. It is, likewise, authorized to operate a Bonded Manufacturing Warehouse (BMW), BMW No. 39, as evidenced by the Certification dated January 16, 1991, issued by the Garments and Textile Export Board (GTEB). It is, likewise, granted two licenses to import tax and duty-free materials and accessories for re-exportation under License to Import No. 077-99 dated May 13, 1999 and valid until February 13, 2000 and Import License No. 048468 dated July 7, 1999 and valid until April 7, 2000. Under these licenses, petitioner was authorized to import "FABRICS/YARNS/LEATHERS/SUBMATERIALS" from various foreign principals with a total value of US$4,771,308.00 and $2,472,579.20, respectively, with the limitation that these licenses do not entitle the manufacturer to import finished and semi-finished goods, cut-to-panel/knit to shape materials, and cut-piece goods.

Since the start of its operations, petitioner has manufactured several product lines. It started manufacturing embroidered handkerchiefs' branched out to infants' and children's wear, knitted blouse and apparel products, shirts, ladies dresses, night gown, pajama, swim wear, nylon stockings, brassieres and intimate ladies' underwear. For the year 1999, petitioner stopped manufacturing some of the lines which were not viable anymore. It, however, maintained the manufacturing of brassieres and related intimate ladies garments, children's and infants' wear products, knitted gloves, socks and the like.

During the year 1999, petitioner, in the course of its operations and on three (3) different occasions in 1999, received consignments of various textile materials and accessories from its supplier, to be manufactured into finished products for subsequent exportation to principals abroad.

The three shipments of imported various textile materials and accessories were declared in the BOC Entry, Internal Declaration and the attached Bill of Lading, Commercial Invoice and/or Packing List, detailed as follows:

1. Entry No.	44780-99 PO2A Port of Manila
Date of Arrival	August 8, 1999
Number and Kind	2x40' Container S.T.C. 646 Rolls of 100% Polyester Knitted Fabrics Weight: 265-270 GM/M2 Width: 60" Usable, 62" Edge to Edge PIO#99K668
Color Color	Midnite - 2,253.30 lbs. Royal Blue - 5,573.20 lbs. Midnite - 6,069.10 lbs. Royal Blue - 7,390.00 lbs. Royal Blue - 1,840.30 lbs. Midnite - 4,330.30 lbs. AND 100% Polyester Knitted Fabrics Weight: 130-140 GM/M2 Width: 60" Usable, 62" Edge to Edge Royal Blue - 507.70 lbs, Cardinal - 591.40 lbs. Midnite - 676.20 lbs.
2. Entry No.	46269-99, PO2A Port of Manila
Date of Arrival	August 14, 1999
Number and Kind	1x40' Container S.T.C. 276 Rolls of 100% Polyester Knitted Fabric

	Weight: 265-270 GM/M2 Width: 60" Usable, 62" Edge to Edge PO#99K667
Color	Midnite - 3,752.70 lbs. Cardinal - 8,625.80 lbs.
3. Entry No.	46297-99, PO2A Port of Manila
Date of Arrival	August 14, 1999
Number and Kind	1x20' Container S.T.C. 142 packages, 20 Rolls of 100% Cotton Knitted Fabric Weight 813.90 lbs. Thread Cones - 4,833.00 Cones Elastic - 553.00 GR Velcro - 8,333.00 Yds. Poly Tape - 9000 Yds. Woven Tape (ST73) - 23400 Yds. Neck Tape (TCP 507) 12020 Yds. Main Label - 6,147.50 Doz. Care Label - 2,060.00 Doz. Price Ticket - 75.00 K Carton Sticker - 3,127.00 PR

On August 20, 1999, then Commissioner of Customs Nelson Tan, issued a Memorandum requiring the 100% examination of all shipments consigned to petitioner on its transfer/release from the piers to CBW No. G-39. This Memorandum was prompted by the Indorsement of the Warehouse and Assessment Monitoring Unit (WAMU) which recommended the examination of the subject shipments by the examiner of the Warehouse and Assessment Division (WAD) for alleged misdeclaration.

On August 31, 1999, Inspector Rodolfo Alfaro submitted a report stating that the shipments under Entry Nos. 46297-99 and 46269-99 were examined at pier 3, South Harbor, Manila, while Entry No. 44780-99 was examined inside the Bonded Manufacturing Warehouse of petitioner, CBW No. G-39. After the inspection, a report was issued stating that the subject shipments contained cotton fabrics with three (3%) percent spandex for shirting and fleece textile materials. The Inspection Report concluded that these articles are not normally used for the manufacture of brassieres and/or lace, for the Bra and Lace Division of petitioner, which according to the BOC, is the only operational division. In the same Inspection report, Mr. Alfaro recommended that the Import License of petitioner be verified to determine if the subject shipments should be seized for violation of existing Customs Rules and Regulations. Thereafter, respective representatives from the GTEB and the BOC conducted an ocular inspection of the Bonded Manufacturing Warehouse of petitioner.

During the ocular inspection, it was discovered that petitioner was operating the

Bra and Lace Division as well as the Auxiliary Division. It was likewise found that only machineries for the two divisions exist and that there were no facilities for the other lines of products.

In a letter dated September 3, 1999, petitioner's Corporate Secretary and in-house counsel requested the GTEB for a Certification to clarify the description of "FABRICS/YARNS/LEATHERS/SUBMATERIALS" or the articles petitioner is authorized to import based on its License No. 077-99.

On September 6, 1999, a Certification was issued by the GTEB, certifying petitioner's license to import the following raw materials, to wit:

a. Polyester, acrylic, cotton and other natural or synthetic piece-goods
b. Various types of yarns and threads, nylon, polyester, wool and other synthetic or natural piece-good
c. All types of leather and synthetic leathers
d. Non-woven fabrics and similar items
e. Various types of staple fibers (synthetic and natural)
f. Various drystuffs and chemical
g. Various accessories and supplies

On September 14, 1999, a certification was likewise issued by the Garments/Textile Mfg. Bonded Warehouse Division-Port of Manila (GTMBWD-POM) that "Import License Nos. 48468 and 77-99 are the current licenses being utilized by GELMART INDUSTRIES PHILS., INC." which covers fabrics/yarn/leathers sub materials but "does not entitle the manufacturer to import finished and semi-finished goods, cut-to-panel/knit to shape materials, and cut-piece goods."

On September 15, 1999, Atty. Tugday of the BOC presented the following observations and recommended the seizure of the subject shipments:

1. The subject shipments which actually contained cotton fabrics with 3% spandex for shirtings and 100% spun polyester polar fleece with one side anti-pilling, 2 side brush are not needed in the operation of the existing divisions of GIPI, namely: the bra and lace divisions.
2. Upon the closure of the Infant's Wear Division, Children's Wear Division, Swimwear Division, Knit Glove Division, all of GIPI, the import licenses on articles not consistent in the operation of its remaining divisions for bra and lace are deemed cancelled. In short, the importations of the subject shipments were made without authority.
3. In renewing its license to operate a customs manufacturing bonded warehouse, GIPI submitted documents misrepresenting that it has machineries and operating a division capable of manufacturing the questioned shipments into finished products.

4. GIPI has no facilities to comply with Rule VIII, Section1(d) of the GTEB Rules and Regulations, *i.e.*, the requirement on the "production, capacity geared for export of at least 70%." With this, GIPI would be transferring 100% of these subject materials to third parties under the guise of subcontracting, a practice violative of the GTEB and Customs regulations.
5. GIPI abused the privileges given to operate a manufacturing, bonded warehouse by unjustly interpreting the phrase "fabrics" in the import license issued by the GTEB to cover any kind of fabrics or textile materials even though not consistent in the operations of its existing bra and lace divisions.
6. Observations 1, 2, 3, 4 and 5 constitute prima facie evidence that without authority, GIPI is allowing third parties to utilize its import license and consequently its export quota.
7. Misrepresentations and/or use of false or fraudulent entries and details in all document applications, papers submitted to the Board for consideration and approval as well as unauthorized importations and transfer of export quotas, all are classified as major violations of GTEB rules and regulations.
8. Importation of raw materials such as knitted or woven fabrics, yarn, leather, ribbings, interlining, pocket lining, polyfill, thread, collars, cuffs and laces with the width of more than 10 inches shall require an import license from the GTEB. In short these are regulated raw materials that would require import license.

Furthermore, Atty. Tugday of the WAMU questioned petitioner's authority to manufacture the particular garments for which the imported articles may be used on the ground that most of the production processes for these garments would be done outside the bonded warehouse by petitioner's subcontractors. WAMU is of the opinion that this act would contravene Rule VIII, Section1.d of the GTEB Rules, which provides that:

> SECTION 1. REQUIREMENTS. The following are the requirements for the application for operation of a bonded manufacturing warehouse (BMW):
>
> x x x
>
> d. Production capacity geared for export of at least 70%.

In a letter dated September 14, 1999, the BOC, through Atty. Rustom L. Pacardo requested from the GTEB an interpretation of Rule VIII, Section1.d of the GTEB Rules.

On September 16, 1999, the GTEB interpreted the foregoing provision as follows:

Please be informed that said provision requires that the production capacity of the applicant for bonded manufacturing warehouse is at least 70% for export and 30% is allowed for local market, subject to payment of taxes and duties. Further, said provision does not relate to the limit that the applicant for bonded warehouse may produce in-house and through subcontractors.

On October 1, 1999, petitioner assailed the recommendation for the issuance of the Warrant of Seizure and Detention against shipments covered by Entry Nos. 46297-99, 46269-99, and 44780-99. In the same letter, petitioner requested the BOC to allow the re-shipment of the subject shipments, contending, among others, that "GELMART have subcontractors duly approved by the GTEB for the manufacture of Boy's pants and tops which requires the subject shipments (of) raw materials."

Meanwhile, a letter dated September 9, 1999 was received by petitioner from one of its principals for the imported articles, PADA Industrial (Far East) Co. Ltd. Of Hong Kong (PADA), informing the former of the latter's intention to cancel the order and instructed petitioner to return the shipment of raw materials back to PADA. Petitioner, thus, requested the District Collector of Customs for authority to effect the reshipment of the subject shipments back to PADA.

On October 21, 1999, Bureau of Customs Deputy Commissioner Emma M. Rosqueta upheld the favorable recommendation of the Port of Manila for the return of the shipment, declaring that:

We agree with your position that re-shipment may be allowed to a country other than the country of origin. We believe that it is the right of the Principal to determine where his shipment should go unless it would violate our laws or any rule or regulation. In fact we allow said re-shipment under CMO 85-91. It states:

2.1 Bonded manufacturing warehouse operators may request for re-shipment of raw materials and accessories to its foreign supplier in cases where they are defective, sub-standard or not in accordance with given specification. Likewise, return shipment may be allowed if the said raw materials are no longer required for production.

On November 19, 1999, the BOC issued the following seizure orders, Seizure Identification No. 99-281 for Warehousing Entry No. 46269-99; Seizure Identification No. 99-280 for Warehousing Entry No. 44780-99 and Seizure Identification No. 99-279 for Warehousing Entry No. 46297-99, for alleged violation of Section 2530 paragraphs (f) and (l) subparagraphs 3, 4 and 5 of the Tariff and Customs Code of the Philippines (TCCP).

A Memorandum dated January 10, 2001 was filed by petitioner with the District

> Collector of Customs on January 12, 2001 in order to protest the seizure orders issued by the BOC.
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> In a Decision dated August 9, 2001, and which was received by petitioner on August 20, 2001, the District Collector of Customs ordered that the shipments be forfeited in favor of the government for alleged violation of Section 2530 paragraphs (f) and (l) subparagraphs 3, 4 and 5 of the TCCP, as amended.
>
> Petitioner filed its Memorandum of Appeal with the Customs Commissioner on August 28, 2001, and in a Decision dated May 16, 2002, a copy of which was received by petitioner on June 29, 2002, the respondent affirmed the forfeiture orders issued by the Collector of Customs.[2] (Citations omitted)

As previously mentioned, the CTA reversed the decree of forfeiture issued by petitioner and lifted the latter's WSDs. It also ordered the release of respondent's importation subject to the condition that the correct duties, taxes, fees and other charges shall be paid to the Bureau of Customs. The dispositive portion of the decision states:

> WHEREFORE, the decree of forfeiture of respondent Commissioner of Customs is hereby REVERSED and the Warrants of Seizure and Detention Nos. 99-279, 99-280 and 99-281 are hereby LIFTED. Accordingly, the subject importation covered by Import Entry Nos. 44780-99; 46269-99 and 46297-99 are hereby RELEASED to petitioner subject to the condition that the correct duties, taxes, fees and other charges thereon be paid to the Bureau of Customs based on the actual quantity and condition of the articles at the time of filing of the corresponding import entry in compliance with this decision.
>
> SO ORDERED.[3]

Upon respondent's motion, the CTA amended its decision and directed the release of the subject shipments without the payment of duties and taxes on the ground that the same were imported tax and duty-free subject to the condition that the imported materials will subsequently be re-exported as finished products. The dispositive portion of the Resolution of the CTA dated January 6, 2006 provides:

> WHEREFORE, the Court hereby GRANTS petitioner's "Motion for Clarification." Accordingly, the dispositive portion of the decision promulgated on August 15, 2005 is hereby amended as follows:
>
> > "WHEREFORE, the decree of forfeiture of respondent Commissioner of Customs is hereby REVERSED and the Warrants of Seizure and Detention Nos. 99-279, 99-280 and 99-281 are hereby LIFTED. Accordingly, the subject importation covered by Import Entry Nos. 44780-99; 46269-99 and 46297-99 are hereby RELEASED to petitioner sans the payment of duties and taxes.

SO ORDERED.[4]

In the instant Petition[5] dated October 4, 2005, petitioner, through the Office of the Solicitor General, argues that the subject shipments were misdeclared as "100% polyester knitted fabrics" and "100% cotton knitted fabrics" when they were, in fact, 100% polyester polar fleece, fleece textile materials, and cotton fabrics with 3% spandex skirtings.[6] The shipments were allegedly correctly forfeited in favor of the government in accordance with Sec. 2503 of the Tariff and Customs Code. Moreover, the subject shipments which allegedly consisted of regulated items violated or exceeded the import permits of respondent.

Petitioner also asserts that although respondent is allowed to subcontract a portion of the manufacturing process (involving the subject shipments), it violated the rules of the Garment and Textile Export Board (GTEB) and the Bureau of Customs which allegedly allowed respondent to subcontract only a small or incidental portion of the manufacturing process.

In its Comment[7] dated February 10, 2006, respondent points out that the instant petition questions the decision of a division of the CTA in contravention of Republic Act No. 9282 (R.A. No. 9282),[8] which provides that this Court exercises appellate jurisdiction over *en banc* decisions or rulings of the CTA. Respondent avers that petitioner does not have standing to appeal the judgment of the CTA as it had been declared in default by the latter. The decision of the CTA had allegedly attained finality as petitioner failed to move for the reconsideration thereof or to file a petition for review with the CTA *en banc*. Further, the instant petition allegedly raises factual questions beyond the province of the Court to review.

On the substantive issues, respondent claims that the goods contained in the subject shipments correspond to the articles described in the import entries and are covered by respondent's import licenses. Respondent insists that the GTEB rules do not prevent it from engaging the services of sub-contractors. On the contrary, the rules allegedly allow it to perform a portion of the manufacturing process within its premises while the other processes to complete the finished products are permitted to be done through sub-contractors.

Petitioner filed a Reply[9] dated August 10, 2006, reiterating his arguments and pleading that the Court exercise its equity jurisdiction notwithstanding the procedural lapses in this petition. He claims that despite the default order against him, he is still allowed to file an appeal.

In its Rejoinder[10] dated October 3, 2006, respondent reiterates the procedural infirmities in the petition.

Petitioner had indeed committed procedural missteps on his way to this Court.

First. Under Sec. 9 of R.A. No. 9282, "...A party adversely affected by a ruling, order or decision of a Division of the CTA may file a motion for reconsideration or new trial before the same Division of the CTA within fifteen (15) from thereof..."[11] In this case, no motion was filed by petitioner to seek the reconsideration of the assailed decision of the CTA.

Second. Sec. 11 of the same law provides that, "x x x A party adversely affected by a resolution of a Division of the CTA on a motion for reconsideration or new trial may file a petition for review with the CTA *en banc."* In turn, "A party adversely affected by a decision or ruling of the CTA *en banc* may file with the Supreme Court a verified petition for review on certiorari pursuant to Rule 45 of the 1997 Rules of Civil Procedure" as ordained under Sec. 12 of R.A. No. 9282.

Again, this procedure was not followed by petitioner and no adequate explanation was offered to justify his disregard of the rules. Petitioner vaguely suggests that filing a petition for review with the CTA *en banc* would have been futile because the assailed decision was concurred in by three (3) associate justices. This is obviously not a defensible argument considering that the affirmative vote of four (4) members of the CTA *en banc* is necessary for the rendition of a decision.[12] Even if three (3) members had already concurred in the assailed decision, it cannot be predicted how the deliberations of the CTA *en banc* could have gone had petitioner rid himself of his blasé attitude towards the rules and followed the tiered appeals procedure laid out in the law.

Third. Sec. 2, Rule 4 of the Revised Rules of the Court of Tax Appeals reiterates the exclusive appellate jurisdiction of the CTA *en banc* relative to the review of decisions or resolutions on motion for reconsideration or new trial of the court's two (2) divisions in cases arising from administrative agencies such as the Bureau of Customs.[13] Hence, the Court is without jurisdiction to review decisions rendered by a division of the CTA, exclusive appellate jurisdiction over which is vested in the CTA *en banc.*

Petitioner's failure to file a motion for reconsideration of the assailed decision of the CTA First Division, or at least a petition for review with the CTA *en banc*, invoking the latter's exclusive appellate jurisdiction to review decisions of the CTA divisions, rendered the assailed decision final and executory. Necessarily, all the arguments professed by petitioner on the validity of the seizure, detention and ultimate forfeiture of the subject shipments have been foreclosed. [14]

It should be noted at this juncture, however, that the order of default against petitioner (which had not been lifted) did not result in depriving him of standing to file a petition for review. A defaulted party's right to appeal from a judgment by default on the ground that the amount of the judgment is excessive, or is different in kind from that prayed for, or that the plaintiff failed to prove the material allegations of his complaint, or that the decision is

contrary to law, has been consistently acknowledged by the Court.[15]

Nonetheless, let it be reiterated that the instant petition is so procedurally flawed that its outright denial is warranted. Furthermore, after a review of the argued merits of the case, the Court is all the more convinced that the petition is truly a lost cause.

Petitioner claims that the subject shipments as described in their import entries do not correspond to those as found by the Bureau of Customs upon examination. The "100% polyester knitted fabrics" declared under Warehousing Entry Nos. 44780-99 and 46269-99, and "100% cotton knitted fabrics" declared under Warehouse Entry No. 46297-99 are allegedly not the same as the "100% polyester polar fleece" (for the shipment covered by Warehousing Entry No. 44780-99), "fleece textile materials" (for the shipment under Warehousing Entry No. 46269-99), and "cotton fabrics with 3% spandex for skirtings" (for Warehousing Entry No. 46297-99) as discovered upon examination. However, petitioner did not present any evidence to substantiate the variance between the subject shipments as declared and those as actually found.

At any rate, the matter was settled by a letter from the Philippine Textile Research Institute presented by respondent, showing that "100% PES knitted fabric" and "polar fleece fabric" are both classified as "100% polyester." This letter was given full faith and credence by the CTA and we have no reason, again absent any evidence presented by petitioner, to hold otherwise.

We cannot overlook the fact that respondent had been granted two licenses to import tax and duty-free materials and accessories for re-exportation under License to Import No. 077-99 dated May 13, 1999 and Import License No. 048468 dated July 7, 1999. These

import licenses authorize respondent to import "FABRICS/YARNS/LEATHERS/SUBMATERIALS" from various foreign principals with the limitation that these licenses do not entitle respondent to import finished and semi-finished goods, cut-to-panel/knit-to shape materials, and cut-piece goods.

In a Certification dated September 6, 1999, the GTEB itself clarified that respondent is authorized to import polyester, acrylic, cotton and other natural or synthetic piece-goods; various types of yarns and threads, nylon, polyester, wool and other synthetic or natural piece-goods; all types of leather and synthetic leathers; non-woven fabrics and similar items; various types of staple fibers (synthetic and natural); various drystuffs and chemicals; and various accessories and supplies.[16]

The goods contained in the subject shipments undoubtedly fall under the category of raw materials which respondent is authorized to import under the licenses which it had indubitably obtained prior to the importation of the subject shipments. As such, there is no basis for the forfeiture of the subject shipments on the ground of misdeclaration.

As regards the contention that respondent had unlawfully sub-contracted a part of the

manufacturing process for which the subject shipments were intended, Republic Act No. 3137 (R.A. No. 3137),[17] which governs respondent's operations as a bonded manufacturing warehouse, as well as the pertinent rules of the GTEB, allow respondent to manufacture garments and apparel articles intended for exportation in whole or in part in its bonded manufacturing warehouse.

Sec. 2(A), Rule VIII of the GTEB Rules and Regulations provides:

> Sec. 2. Conditions. The following are the conditions for the operation of a BMW:
>
> A. All garment and apparel articles manufactured in whole or in part out of bonded raw materials and intended for exportation may be manufactured in whole or in part in a bonded manufacturing warehouse; Provided that the manufacturer-exporter of such articles has secured a permit from the Board to operate such warehouse and has posted a bond in the amount of Two Hundred Thousand Pesos (P200,000.00) from a reputable bonding company acceptable to the Bureau of Customs guaranteeing faithful compliance with all laws, rules and regulations applicable thereto.

Sec. 1(19), Part 1 of the Rules and Regulations of the GTEB defines a manufacturer as a firm manufacturing textile and/or garments for export and provides that, "**Manufacturers under R.A. No. 3137 may perform a portion of the manufacturing processes within the premises while other processes to complete his finished products may be done through subcontractors and/or homeworkers**." Thus, unlike other manufacturers who are required to have at least one complete production line within his manufacturing premises, which Gelmart nonetheless had complied with because it has a complete manufacturing line for its lace and bra divisions, Gelmart is actually required only to ensure that the goods released from its bonded manufacturing warehouse for embroidery **had been previously stamped or cut in accordance with the pattern to be manufactured** in accordance with Sec. 4, par. XI of R.A. No. 3137. Moreover, note should be taken of the fact that the sub-contractors engaged by Gelmart were also duly certified by the GTEB.

In sum, the procedural infirmities and insubstantial legal argumentation in the petition combine to defeat petitioner's claims.

WHEREFORE, the Petition dated October 4, 2005 is **DENIED**. The Decision dated August 15, 2005 of the Court of Tax Appeals in C.T.A. Case No. 6518, as clarified in the Resolution dated January 6, 2006, is **AFFIRMED**. No pronouncement as to costs.

SO ORDERED.

Quisumbing, (Chairperson), Carpio Morales, Velasco, Jr., and *Brion, JJ.,* concur.

[1] *Rollo,* pp. 48-73; penned by Associate Justice Lovell R. Bautista with the concurrence of Associate Justices Ernesto D. Acosta and Caesar A. Casanova.

[2] Id. at 49-58.

[3] Id. at 72-73.

[4] Id. at 480-481.

[5] Id. at 10-47.

[6] Id. at 30-31.

[7] Id. at 267-304.

[8] Entitled, "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 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," which took effect on April 23, 2004.

[9] *Rollo*, pp. 505-515.

[10] Id. at 521-528.

[11] Sec. 9 amended Sec. 11 of R.A. No. 1125, the law creating the CTA.

[12] Republic Act No. 9282 (2004), Sec. 2.

[13] The provision, which was left unchanged by the Resolution promulgated by the Court on September 16, 2008, which approved the Amendments to the 2005 Rules of the Court of Tax Appeals, reads:

> Sec. 2. *Cases within the jurisdiction of the Court en banc.*--The Court *en banc* shall exercise exclusive appellate jurisdiction to review by appeal the following:
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> (a) Decisions or resolutions on motions for reconsideration or new trial of the Court in Divisions in the exercise of its exclusive appellate jurisdiction over:
>
> (1) Cases arising from administrative agencies--Bureau of Internal Revenue,

Bureau of Customs, Department of Finance, Department of Trade and Industry, Department of Agriculture;...

[14] *Rizal Commercial Banking Corporation v. Commissioner of Internal Revenue*, G.R. No. 168498, April 24, 2007, 522 SCRA 144.

[15] *Martinez v. Republic*. G.R. No. 160895, October 30, 2006, 506 SCRA 134, 147-148, 150, citing *Lina v. Court of Appeals,* No. L-63397, April 9, 1985, 135 SCRA 637 and *Rural Bank of Sta. Catalina v. Land Bank of the Philippines,* G.R. No. 148019, July 26, 2004, 435 SCRA 183.

[16] *Rollo*, p. 351.

[17] The Embroidery Law.
