

POLI

Approving officers are solidarily liable for disallowed benefits if they acted with gross negligence, even without bad faith.— *PSALM v. Commission on Audit* (2020)

TAX

Condominium dues are not subject to income, VAT, or withholding taxes, as they are non-commercial contributions, not income.— *BIR v. First E-Bank Tower Condominium Corp.* (2020)

CIV

A complaint for unlawful detainer must allege initial lawful possession by the defendant; otherwise, it may be forcible entry and subject to dismissal.— *Chansuyco v. Spouses Paltep* (2019)

LABOR

Redundancy must be supported by substantial evidence and exercised in good faith, not as a disguise for cost-cutting or dismissal.— *Aguilera v. Coca-Cola FEMSA Philippines, Inc.* (2021)

CRIM

Intent to cause harm or gain benefit is not an element of the crime of falsification of a public document. What is punished is the falsity itself.— *Liwanag, Sr. y Salvador v. People* (2019)

REM

A court with jurisdiction over the main case may resolve incidental issues necessary to enforce its judgment, even if jurisdiction over those issues lies with another court as an original action.— *Republic v. Felix* (2020)

1

In 2010, officers of MetroEnergy, a government-owned corporation, approved expanded medical benefits, including dental care, laser procedures, and drug coverage, for employees and the dependents of board members. These benefits exceeded the limits set by Administrative Order No. 402, which allows only annual medical check-ups and excludes coverage for dependents. The benefits had also been the subject of prior disallowances by the Commission on Audit. In 2012, the Commission once again disallowed the benefits and ordered both the approving officers and the recipients to refund over ₱5 million. The officers argued that they should not be held liable, citing the Madera case, as they merely performed their duties and did not act with malice or bad faith. **Can the officers be held liable along with the recipients?**

Suggested answer: Yes. The approving officers can be held liable.

In *PSALM v. Commission on Audit*, the Supreme Court held that approving officers who are guilty of gross negligence in authorizing disallowed benefits are still liable, even if they acted without malice or bad faith. Here, the officers were grossly negligent, having disregarded prior disallowances by the Commission and the clear limitations of A.O. 402. Even in the absence of bad faith, they remain solidarily liable with the recipients for the disallowed amounts.

2

The BIR assessed Sunrise Tower, a registered condominium corporation, for deficiency income, value-added, and withholding taxes on association dues, membership fees, and other charges collected from unit owners. The BIR relied on Revenue Circular 65-2012, which treated these charges as taxable income. **Can the BIR validly tax the said charges?**

Suggested answer: No. The BIR cannot validly tax the said charges.

In *BIR v. First E-Bank Tower Condominium Corp.*, the Supreme Court ruled that association dues, membership fees, and similar charges collected from unit owners are not subject to income, value-added, or withholding taxes. Condominium corporations do not engage in trade or business. Said charges are contributions collected for the maintenance of common areas, not profit-generating transactions. The Court struck down Revenue Circular 65-2012 as it unlawfully expanded the definition of gross income and taxed non-commercial receipts, in conflict with the Condominium Act and the Tax Code.

3

In 2008, siblings Elsa and Gerry filed an unlawful detainer case against Ernie. In the complaint, they alleged that their mother, from whom they had been estranged since 2003, had turned over their family home to Ernie without their knowledge or consent. When they discovered Ernie's occupation in 2007 and tried to return, Ernie refused them entry, claiming to have bought the property from their mother in 2004, though no deed of sale was ever shown. They sent a demand letter to vacate in 2008, but Ernie still refused. **Are the allegations in the complaint sufficient to make a case for unlawful detainer?**

Suggested answer: No. The allegations are not sufficient.

In *Chansuyco v. Spouses Paltep*, the Supreme Court held that a complaint for unlawful detainer must allege that the defendant's possession was initially lawful or tolerated by the plaintiff. Here, the siblings failed to allege how Ernie's initial possession was lawful. Instead, their allegation that they merely discovered his occupation in 2007 shows that Ernie's possession was adverse from the start. Such facts constitute forcible entry, not unlawful detainer. Thus, the complaint was insufficient and should have been dismissed outright.

4

Carlos worked for Zest Beverages for 18 years and was last employed as a Cold Drink Associate. In 2013, his position was abolished under a redundancy program. Zest later created two new roles, Cold Drink Operations Supervisor and Cold Drink Equipment Analyst, with similar functions but lower pay. After receiving a termination notice, Carlos filed a complaint for illegal dismissal. Zest claimed that Carlos' termination was authorized due to redundancy. It presented an affidavit from its HR Manager, stating that Carlos' position was found to be redundant after assessments and meetings. **Was Carlos validly dismissed on the ground of redundancy?**

Suggested answer: No. Carlos was not validly dismissed.

In *Aguilera v. Coca-Cola FEMSA Philippines*, the Supreme Court ruled that redundancy must be supported by substantial evidence and done in good faith. Here, the HR Manager's affidavit does not constitute substantial evidence. It lacked specific details or supporting documents, such as a reorganization plan or objective criteria. Moreover, creating two new positions with the same duties but lower pay indicated bad faith. Redundancy cannot be used to evade security of tenure or reduce labor costs.

5

Inspector Ramon was charged with falsification of a public document. The Information alleged that he filled out a Temporary Operator's Permit (TOP) naming his 17-year-old son, Mark, as the driver, falsely indicating Mark's birthdate as June 10, 1974, instead of June 10, 1977, making him appear 20 years old. The TOP was recovered from Mark's car after a traffic accident. Ramon admitted to the allegations but claimed no intent to cause harm or gain benefit as he used the TOP only as a visual aid for his lectures. **Should Ramon be held guilty?**

Suggested answer: Yes. Ramon should be held guilty.

In *Liwanag, Sr. v. People*, the Supreme Court ruled that intent to cause harm or gain benefit is not an element of the crime of falsification of a public document. Nor is it a valid defense. Falsification under Article 171, paragraph 4 of the Revised Penal Code is committed when a public officer makes untruthful statements in a narration of facts in a public document. What is punished is the falsity itself because it undermines the integrity of public documents and erodes public trust. Here, Ramon falsely recorded his minor son's name and birthdate in an official TOP. He should be held guilty, regardless of the presence of intent to gain or injure.

6

Jordan (aka Joanne) filed a petition under Rule 108 before the trial court of Baguio City, to correct the gender entry from male to female in her birth certificate registered there. During the proceedings, she discovered a second birth certificate with the same incorrect entry, registered in Tarlac City. The trial court corrected the first certificate and ordered the cancellation of the second. The Republic argued that the trial court of Baguio City lacked jurisdiction over the record in Tarlac City. **Was the Republic correct?**

Suggested answer: No. The Republic was not correct.

In *Republic v. Felix*, the Supreme Court held that under the doctrine of ancillary jurisdiction, a court having authority over a main case may resolve incidental matters necessary to enforce its judgment. Here, since the trial court of Baguio City had jurisdiction over the correction of entries in the first birth certificate, it also had the authority to order the cancellation of the second conflicting record, even though the same was registered in Tarlac City.