

****Title:****

Doña Adela Export International, Inc. v. Trade and Investment Development Corporation (TIDCORP) and Bank of the Philippine Islands (BPI)

****Facts:****

Doña Adela Export International, Inc. (petitioner) filed a petition for Voluntary Insolvency on August 23, 2006, which the RTC of Mandaluyong City deemed sufficient, declaring the petitioner insolvent and halting all civil proceedings against it. Atty. Arlene Gonzales was appointed as the receiver. Subsequently, she filed a Motion for Parties to Enter Into Compromise Agreement, proposing the distribution of petitioner's remaining assets among its creditors. On May 26, 2011, the petitioner and Technology Resource Center (TRC) entered a Dacion En Pago by Compromise Agreement, fully settling the petitioner's obligations to TRC with a parcel of land. Later, TIDCORP and BPI filed a Joint Motion to Approve Agreement, including a clause requiring the petitioner to waive confidentiality rights under banking laws without petitioner being a party to this agreement. The RTC approved both compromise agreements but faced opposition from the petitioner and the receiver regarding specific provisions.

****Issues:****

1. Whether the waiver of confidentiality provision in the BPI-TIDCORP Joint Motion to Approve Agreement is valid despite the petitioner not being a party and signatory to the agreement.
2. Whether a direct recourse to the Supreme Court was appropriate in contesting the RTC's decision based on the alleged invalid waiver of confidentiality.

****Court's Decision:****

The Supreme Court granted the petition, holding that the waiver of confidentiality of the petitioner's bank deposits was not valid as the petitioner neither consented to nor was a party to the BPI-TIDCORP compromise agreement. The Court emphasized the importance of express consent for such waivers, highlighting that contractual agreements are only binding upon the parties involved and cannot bind third parties without their consent. The Court modulated the RTC's decision to exclude the contested waiver of confidentiality.

****Doctrine:****

The principle upholds that a waiver requires express, knowing, and voluntary consent, particularly when it involves the relinquishment of rights. Additionally, the doctrine of relativity of contracts was reiterated, stating that contracts cannot bind nor benefit third

parties who are not part of the agreement.

****Class Notes:****

- ****Waiver of Rights:**** Requires express, knowing, and voluntary consent.
- ****Doctrine of Relativity of Contracts:**** A contract only binds the parties involved and cannot adversely or beneficially impact non-parties without their explicit consent.
- ****Insolvency Proceedings:**** Involves the transfer of all debtor's property and assets to an appointed receiver or assignee, subject to the court's jurisdiction.
- ****Secrecy of Bank Deposits Law (R.A. No. 1405 as amended):**** Outline conditions under which bank deposit confidentiality can be waived, emphasizing the need for the depositor's written permission.
- ****Direct Recourse to the Supreme Court:**** Permitted when the case involves pure questions of law, distinguishing between a question of law and a question of fact.

****Historical Background:****

Doña Adela Export International, Inc. v. TIDCORP and BPI illuminates the judiciary's interpretation of the Law on the Secrecy of Bank Deposits in the context of insolvency proceedings. The case importantly demonstrates the Supreme Court's stance on protecting depositor rights against unwarranted disclosure, privacy of contractual agreements, and the essential legal protections surrounding an entity's declaration of insolvency.