

Title: **\*\*Yazaki Torres Manufacturing, Inc. vs. The Court of Appeals, The Home Development Mutual Fund (HDMF), et al.\*\***

**### Facts:**

Yazaki Torres Manufacturing, Inc., a Philippine corporation, was initially exempted from the Home Development Mutual Fund (HDMF or Pag-IBIG Fund) coverage for its employees from January 1 to December 31, 1995, due to its superior retirement plan. This exemption was in accordance with the HDMF rules implemented following Republic Act No. 7742, which allowed for such waivers if the private retirement plans were deemed superior to the HDMF offerings.

After the exemption period elapsed, Yazaki applied for a renewal of their waiver. On February 16, 1996, the CEO of HDMF denied this application, asserting that Yazaki's retirement plan was not superior to that of HDMF's. Yazaki appealed to the HDMF Board of Trustees, which was subsequently denied. The company then filed a petition with the Court of Appeals, asserting that the HDMF's refusal to renew the waiver, and the amendments made to the rules governing exemptions, were unjust. The Court of Appeals dismissed Yazaki's petition, leading the company to file a petition for certiorari with the Supreme Court, alleging grave abuse of discretion on the part of the Court of Appeals.

**### Issues:**

1. Whether the Court of Appeals erred in upholding the HDMF resolution denying Yazaki's application for renewal of waiver from Pag-IBIG Fund coverage.
2. Whether the HDMF had the authority to amend the implementing rules of the Fund which were the basis for denying Yazaki's waiver renewal application.

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

The Supreme Court dismissed Yazaki's petition. It affirmed the Court of Appeals' decision, holding that:

- Administrative agencies have the power to amend, modify, or revoke rules and regulations to align them with the law and justice demands.
- The amendment to the HDMF rules requiring both provident/retirement and housing plans for an exemption was in harmony with the goals of the Pag-IBIG Fund as outlined in Presidential Decree No. 1752.
- The denial of Yazaki's waiver renewal was within the discretion of HDMF, which found that Yazaki's retirement plan was no longer superior to the Fund's offerings. The Court emphasized that administrative findings are accorded great respect and should not be

disturbed unless a clear abuse is demonstrated, which Yazaki failed to do.

- The Supreme Court further ruled that the power delegated to the HDMF to promulgate implementing rules implicitly includes the power to amend, revise, or repeal these rules as necessary for the proper execution of the law.

### ### Doctrine:

The doctrine established in this case is the principle that administrative regulations issued by an agency, under the authority of the law, have the force and effect of law. Furthermore, the principle that an administrative agency's discretion in its field of expertise is accorded great respect and deference by the courts, and will not be overturned absent a showing of clear abuse, was reiterated.

### ### Class Notes:

- **\*\*Administrative Agency Discretion\*\***: Courts defer to the expertise and discretion of administrative agencies on matters within their jurisdiction, intervening only in instances of clear abuse of discretion.

- **\*\*Rule-making Authority\*\***: Administrative agencies are granted the authority to create, amend, or repeal rules and regulations to effectively implement laws, a power that inherently includes the discretion to ensure these regulations align with legislative intent and public welfare.

- **\*\*Scope of Judicial Review\*\***: The judicial review of administrative decisions is limited, focusing on whether there has been a grave abuse of discretion rather than re-evaluating the merits of the decision itself.

### ### Historical Background:

The Home Development Mutual Fund (Pag-IBIG Fund) was founded to provide a national savings program and affordable housing finance for Filipinos. Over time, legislative amendments and administrative rules have shaped its operations and coverage, reflecting evolving policy goals and economic conditions. The Yazaki case illustrates the legal framework's adaptability in ensuring the Fund's objectives are met, highlighting the interaction between legislative mandates, administrative implementation, and judicial oversight in the Philippine legal system.