

****Title: Iglesia Filipina Independiente vs. Heirs of Bernardino Taeza****

****Facts:****

1. The Iglesia Filipina Independiente (IFI) and the Heirs of Bernardino Taeza were embroiled in a legal battle over two lots covered by Transfer Certificate of Title Nos. T-77994 and T-77995.
2. The IFI claimed ownership of the properties, but respondents physically occupied them.
3. Litigation ensued, leading to a Decision by the Court of Appeals on June 30, 2006, which was unfavorable to the IFI and upheld by a Resolution dated August 23, 2007.
4. The IFI elevated the case to the Supreme Court via petition for review.
5. On February 3, 2014, the Supreme Court rendered a Decision in favor of the IFI, declaring it the rightful owner of the lots and ordering respondents and their successors-in-interest to vacate the premises, execute the deed of conveyance, and pay costs of suit.
6. Respondents filed a Motion for Reconsideration, which was denied with finality by the Supreme Court on July 9, 2014.
7. Subsequently, both parties filed a Joint Manifestation dated July 14, 2014, submitting a Compromise Agreement (dated June 27, 2014) for the Court's approval aimed at the speedy resolution of the dispute. The agreement was signed only by Right Rev. Ernesto M. Tamayo, purportedly authorized by the Supreme Bishop via a Special Power of Attorney from September 27, 2011.
8. The Supreme Court noted that any sale of IFI's real property requires not only the Supreme Bishop's consent but also the concurrence of the laymen's committee, the parish priest, and the Diocesan Bishop, as sanctioned by the Supreme Council.

****Issues:****

1. Whether the Compromise Agreement dated June 27, 2014, should be approved by the Supreme Court.
2. Whether the Supreme Bishop is adequately authorized to enter into a contract of sale on behalf of the petitioner, Iglesia Filipina Independiente.

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

1. ****On the Compromise Agreement:**** The Supreme Court declined to approve the Compromise Agreement. It held that the sole signatory, Right Rev. Ernesto M. Tamayo, did not meet the requirements to represent the petitioner adequately. The contract needed more than just the consent of the Supreme Bishop; it required additional concurrences which were not reflected in the Compromise Agreement.
2. ****On Authority to Sell:**** The Supreme Court upheld its previous finding that any sale of

real property by the IFI necessitates a comprehensive concurrence involving the Supreme Bishop, the laymen's committee, the parish priest, and the Diocesan Bishop, as mandated by the Supreme Council.

****Doctrine:****

The Court established that the authority to dispose of real property of religious entities like the IFI requires not only leadership approval but also a collective concurrence of designated bodies within the organization, as stipulated by their governing rules.

****Class Notes:****

1. ****Authority and Capacity to Contract:****

- For legal transactions involving property, religious organizations must adhere to internal prerequisites outlined in their statutes or governing rules.
- Essential consents include the governing body, leadership, and other stipulated parties.

2. ****Compromise Agreements in Legal Disputes:****

- Such agreements must reflect the proper authorization from all required authorities to be valid.
- Without proper adherence to statutory requirements, judicial disapproval is likely.

****Historical Background:****

The case underlined the intricate balance between organizational governance within religious entities and property rights enforcement under Philippine law. Historically, the case reflects the procedural and substantive legal requirements religious entities must meet to engage in property transactions and highlights the safeguards against unauthorized dispositions, ensuring the interests of all stakeholders within such organizations are protected.

Relevant Legal Citations:

- Civil Code of the Philippines provisions on agency and authority
- Rules of Court, Rule 138 on legal representation and authorization
- Internal governing statutes of Iglesia Filipina Independiente