

****Title:****

De Villa v. Court of Appeals, People of the Philippines, et al.

****Facts:****

On October 5, 1987, Cecilio S. de Villa was charged with violating Batas Pambansa Blg. 22 (BP 22) in the Regional Trial Court (RTC) of Makati. The prosecution alleged that De Villa issued a check amounting to USD 2,500.00 (equivalent to PHP 50,000.00) drawn on Depositors Trust Company, knowing that his account had insufficient funds. The check was issued to Roberto Z. Lorayes on April 3, 1987, and was dishonored upon presentation. De Villa failed to pay or arrange for payment despite receiving notice of dishonor.

****Procedural Posture:****

1. ****RTC Proceedings:****

- After arraignment and initial testimony by Lorayes, De Villa moved to dismiss the Information, arguing that:

a) RTC Makati lacked jurisdiction.

b) The check, being dollar-denominated, rendered the obligation null and void under Republic Act No. 529.

- On July 19, 1988, the RTC denied the motion to dismiss.

- De Villa's motion for reconsideration was also denied on September 6, 1988.

2. ****Court of Appeals Proceedings:****

- De Villa filed a petition for certiorari in the Court of Appeals (CA), seeking to annul the RTC orders.

- He argued that:

a) Since the check was drawn on a foreign bank, the RTC Makati had no jurisdiction.

b) Payment in dollars violated RA 529.

c) The obligation was unenforceable under BP 22.

- On February 1, 1989, the CA dismissed De Villa's petition.

- De Villa's motion for reconsideration was subsequently denied on March 3, 1989.

3. ****Supreme Court Proceedings:****

- De Villa filed a petition for review with the Supreme Court.

- The petition was given due course, and memoranda from both parties were required.

****Issues:****

1. Whether the RTC of Makati had jurisdiction over the case involving the check drawn on a

foreign bank.

2. Whether payment in U.S. dollars nullified the obligation under RA 529.

3. Whether the obligation was unenforceable under BP 22 because the check was denominated in a foreign currency.

Court's Decision:

1. **Jurisdiction:**

- The Court affirmed the RTC Makati's jurisdiction. Jurisdiction is determined by where the offense or any of its essential ingredients occurred. The check was issued and delivered in Makati, establishing jurisdiction there.

2. **RA 529 Applicability:**

- The check's denomination in U.S. dollars did not nullify the obligation. The legislative intent of BP 22 included checks in any currency, ensuring the law applied regardless of whether the check was in pesos or foreign currency.

3. **Enforceability under BP 22:**

- BP 22 covers checks drawn in foreign currency if they are issued and dishonored within the Philippines. The argument that foreign currency checks were not intended to be covered by BP 22 was unsupported by legislative records.

Doctrine:

1. **Jurisdiction Determination:**

- Jurisdiction of a criminal case is based on where the offense occurred or where its essential elements took place (Sec. 10 & 15(a), Rule 110, Rules of Court).

2. **BP 22 Coverage:**

- BP 22 applies to checks denominated in foreign currencies if they are drawn and dishonored within the Philippines. Legislative intent must be derived from the statute itself unless specific exceptions are enumerated.

Class Notes:

1. **Elements of BP 22 Violation:**

- Issuance of a check.
- Knowledge of insufficient funds.
- Dishonor of check within 90 days.
- Failure to pay or arrange for payment within five banking days after notice of dishonor.

2. **Jurisdiction in Criminal Cases:**

- Determined by the location where the offense or any irrevocable elements occurred (Sec. 10 & 15(a), Rule 110, Rules of Court).

3. **Foreign Currency Checks:**

- Checks in foreign currencies fall under BP 22 if issued and dishonored in the Philippines.

Historical Background:

BP 22, the Bouncing Checks Law, was enacted to address the prevalence of bad checks in commerce and deter such practices. The case highlights the extension of its applicability to checks drawn in foreign currency, reflecting legislative intent to cover comprehensive financial transactions. This decision reinforced statutory interpretations ensuring no legal evasion based on the currency denomination of checks.