

REPUBLIC OF THE PHILIPPINES, MOVANT-APPELLEE, VS. WILLIAM LI YAO, PETITIONER-APPELLANT.

G.R. No. L-35947. October 20, 1992

Ponente: ROMERO, J.

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ROMERO, J.:

This is an appeal from the order of the then Court of First Instance of Manila over twenty years ago, or on July 22, 1971, cancelling the certificate of naturalization of William Li Yao as well as from the order dated December 29, 1971 denying Li Yao's motion for reconsideration.

William Li Yao, a Chinese national, filed a petition for naturalization on June 3, 1949 with the then Court of First Instance of Manila, which petition was docketed as Case No. 8225.[1]

After several hearings on the petition were held wherein the Office of the Solicitor General, in representation of the Republic of the Philippines appeared, the lower court rendered a decision dated October 25, 1950, the dispositive portion of which reads as follows:

"IN VIEW OF ALL THE FOREGOING, the Court hereby declares William Li Yao, for all intents and purposes a naturalized Filipino citizen, it appearing that he possesses all the qualifications necessary to become a naturalized Filipino and none of the disqualifications provided for by law. However, in view of the provisions of Republic Act No. 530, this decision shall not become final and executory until after two (2) years from its promulgation and after this Court, on proper hearing, with the attendance of the Solicitor General or his representative, is satisfied, and so finds, that during the intervening time the applicant herein has (1) not left the Philippines, (2) has dedicated himself continuously to a lawful calling or profession, (3) has not been convicted of any offense or violation of Government promulgated rules, (4) or committed any act prejudicial to the interest of the nation or contrary to any Government announced policies. After the finding mentioned herein, this decision granting Philippine citizenship to the applicant herein shall be registered and the oath provided by existing law shall be taken by said applicant, whereupon, and not before, he will be entitled to all the privileges of a Filipino citizen and the certificate of naturalization shall forthwith issue in his favor by the Clerk of this Court."[2]

On November 20, 1952, acting on the petition of William Li Yao praying for the execution of the foregoing decision and that he be allowed to take his oath of allegiance as a Filipino citizen, the lower court issued an order, the dispositive portion of which reads as follows:

"WHEREFORE, it appearing that petitioner has complied, within the two year probation period, with the provisions of Republic Act No. 530, he is hereby allowed to take his oath of allegiance as a Filipino citizen, and the Clerk of Court is directed to issue in his favor the corresponding certificate of naturalization."[3]

About fifteen years later, or on January 5, 1968, the Republic of the Philippines, through the Solicitor General, filed a motion to cancel William Li Yao's certificate of naturalization on the ground that it was fraudulently and illegally obtained for the following reasons:

"1. At the time of the filing of the petition, the applicant was not qualified to acquire Filipino citizenship by naturalization because:

a. He was not a person of good moral character, having had illicit amorous relationship (sic) with several women other than his lawfully wedded wife, by whom he fathered illegitimate children (*Li Siu Liat vs. Republic*, L-25356, November 25, 1967).

b. Nor had he conducted himself in an irreproachable manner in his dealings with the duly constituted authorities:

(i) In contracting marriage, he used the name Francisco Li Yao (Exh. 'J', p. 31, rec.) without prior judicial authority to use the aforesaid first name Francisco, the same not appearing to be his baptismal name (*Cosme Co Tian An vs. Republic*, L-1983, August 31, 1966).

(ii) He was also known and had used the name and/or alias LI CHAY TOO, JR. before the last World War, and under which name, a trust fund was created for him (see Decision, Court of Tax Appeals, CTA Case No. 30, dated July 31, 1956; also Decision, Supreme Court, G.R. No. L-11861, Dec. 28, 1963).

(iii) He evaded the payment of lawful taxes due to the government by underdeclaration of income as reflected in his income tax returns for the years 1946-1951 (see Decision, Supreme Court, *William Li Yao v. Collector of Internal Revenue*, L-11875, December 28, 1963).

(iv) He committed violations of the Constitution and Anti-Dummy laws prohibiting aliens from acquiring real properties by employing dummies in the formation of a private domestic corporation, which acquired the real properties.

(v) He made it appear, falsely, in the baptismal certificate of an illegitimate son he fathered, named William Jose Antonio, that the latter's mother is Juanita Tan Ho Ti, his law-mother is another woman (sic).[4]

William Li Yao opposed the foregoing motion on July 22, 1971. The lower court, however, without touching on all the grounds upon which the said motion was based, relied solely on ground (iii) that William Li Yao evaded the payment of lawful taxes due the government by underdeclaration of income as reflected in his income tax returns for the years 1946-1951. It issued an order, the dispositive portion of which reads as follows:

"WHEREFORE, the motion of the Republic of the Philippines to cancel Certificate of Naturalization No. 1139 dated November 20, 1952 issued to the petitioner is hereby granted, and the said Certificate of Naturalization should be, as it is hereby cancelled. Without pronouncement as to costs."[5]

William Li Yao filed a motion for reconsideration on December 29, 1971, which the lower court denied.[6]

On January 7, 1972, William Li Yao filed a notice of appeal to this Court, manifesting that he was appealing from the order of the lower court dated July 22, 1971, and from the order dated December 29, 1971.[7]

After the parties had filed their respective briefs, petitioner-appellant Li Yao died.[8] The case has not, however, become moot and academic since its disposition, either way, will have grave implications for the late petitioner-appellant's wife and children.

The issue in this case is whether or not the cancellation of the certificate of naturalization of the deceased petitioner-appellant William Li Yao made by the government through the Office of the Solicitor General is valid.

The appeal is without merit.

In his motion filed on January 5, 1968, the Solicitor General asked for the cancellation of the naturalization certificate of appellant on the ground that it was "fraudulently and illegally obtained." This is based on Section

18(a) of Com. Act No. 473, known as the Revised Naturalization Act, which provides that a naturalization certificate may be cancelled "[i]f it is shown that said naturalization certificate was obtained fraudulently or illegally."

It is indisputable that a certificate of naturalization may be cancelled if it is subsequently discovered that the applicant therefor obtained it by misleading the court upon any material fact.[9] Law and jurisprudence even authorize the cancellation of a certificate of naturalization upon grounds or conditions arising subsequent to the granting of the certificate.[10] Moreover, a naturalization proceeding is not a judicial adversary proceeding, the decision rendered therein not constituting *res judicata* as to any matter that would support a judgment cancelling a certificate of naturalization on the ground of illegal or fraudulent procurement thereof.[11]

In ordering the cancellation of the naturalization certificate previously issued to appellant, the lower court sustained the government's motion for cancellation on the sole finding that Li Yao had committed underdeclaration of income and underpayment of income tax.

In the case entitled *In the Matter of the Petition for Naturalization as Citizen of the Philippines, Lim Eng Yu v. Republic*,[12] it was held that the concealment of applicant's income to evade payment of lawful taxes shows that his moral character is not irreproachable, thus disqualifying him for naturalization.

Assuming *arguendo*, that appellant, as alleged, has fully paid or settled his tax liability under P.D. No. 68 which granted a tax amnesty, such payment is not a sufficient ground for lifting the order of the lower court of July 22, 1971 cancelling his certificate of naturalization. The legal effect of payment under the decree is merely the removal of any civil, criminal or administrative liability on the part of the taxpayer, only insofar as his tax case is concerned. Thus, paragraph 4 of the decree provides;

"4. That after full settlement of the accounts mentioned herein, the taxpayer shall be free of any civil, criminal or administrative liability insofar as his tax case is involved." (Underscoring supplied)

In other words, the tax amnesty does not have the effect of obliterating his lack of good moral character and irreproachable conduct which are grounds for denaturalization.

The lower court based its order of cancellation of citizenship on the finding of evasion of payment of lawful taxes which is sufficient ground, under Sec. 2 of the Revised Naturalization Law requiring, among others, that applicant conduct himself "in a proper and irreproachable manner during the entire period of his residence in the Philippines in his relation with constituted government as well as with the community in which he is living,"[13] to strip him of his citizenship without going into the other grounds for cancellation presented by the Solicitor General.

Finally, taking into account the fact that naturalization laws should be rigidly enforced in favor of the Government and against the applicant, this Court has repeatedly maintained the view that where the applicant failed to meet the qualifications required for naturalization, the latter is not entitled to Filipino citizenship.[14] More specifically, the Court has had occasion to state: "Admission to citizenship is one of the highest privileges that the Republic of the Philippines can confer upon an alien. It is a privilege that should not be conferred except upon persons fully qualified for it, and upon strict compliance with the law."[15] Philippine citizenship is a pearl of great price which should be cherished and not taken for granted. Once acquired, its sheen must be burnished and not stained by any wrongdoing which could constitute ample ground for divesting one of said citizenship. Hence, compliance with all the requirements of the law must be proved to the satisfaction of the Court.[16]

WHEREFORE, the instant appeal is hereby DISMISSED and the assailed decision AFFIRMED.

SO ORDERED.

Gutierrez, Jr., (Chairman), Bidin, Davide, Jr., and Melo, JJ., concur.

[1] Record on Appeal, pp. 1-5.

[2] Ibid, pp. 16-17.

[3] Ibid., p. 18.

[4] Ibid, pp. 20-21.

[5] Ibid., p. 86.

[6] Ibid, p. 250.

[7] Ibid, p. 250.

[8] Rollo, pp. 229-233.

[9] Republic v. Lee Bon Ui, G.R. No. L-33504, September 28, 1984, 132 SCRA 181; Bell v. Attorney-General, 56 Phil. 667 (1932).

[10] Pars. (b), (d) and (e) of Sec. 18 of Com. Act 473; Republic v. Go Bon Lee, G.R. No. L-11499, April 29, 1961, 1 SCRA 1166.

[11] Republic v. Lee Bon Ui, supra.; Republic v. Go Bon Lee, supra.

[12] L-20809, August 21, 1966, 17 SCRA 1058.

[13] Lim Cho Kuan v. Republic, L-21198, January 22, 1966, 16 SCRA 25; Underscoring supplied.

[14] Sy Ang Hoc v. Republic, L-12400, March 29, 1961, 1 SCRA 886.

[15] Yap v. Republic, L-19832, August 23, 1966, 17 SCRA 956.

[16] Chua Eng Hok v. Republic, L-20479, October 29, 1965, 15 SCRA 170.

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