

LUZON STEVEDORING CORPORATION, PETITIONER, VS. LAND REGISTRATION COMMISSION, ET AL., RESPONDENTS.

G. R. No. L-15680. May 30, 1962

Ponente: PADILLA, J.

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PADILLA, J.:

Appeal by the Luzon Stevedoring Corporation from a resolution adopted on 15 June 1959 by the Land Registration Commission upholding the refusal by the Registrar of Deeds of Pampanga to register a contract entitled Merger Agreement without the fees for its registration being paid first (LRC Consulta No. 247).

On 16 October 1958 the Luzon Stevedoring Company, Inc. (LUSTEVECO) and the Visayan Stevedore Transportation Company, Inc. (VISTRANCO), both domestic corporations, entered into a Merger Agreement (Annex B) stipulating that—

Lusteveco hereby conveys, assigns and transfers all of its business, property, assets and goodwill * * * and in short, the totality of all its assets reflected in the Balance Sheets of LUSTEVECO as of June 30, 1958. ***

to the Visayan Stevedore Transportation Company, Inc., whose corporate name was to be changed to Luzon Stevedoring Corporation. On 18 February 1959 the Luzon Stevedoring Corporation requested the Registrar of Deeds of Pampanga to cancel transfer certificates of title Nos. 10099, 6040, 8820, 8819, 8822 and 8821 covering several parcels of land owned by the Luzon Stevedoring Company, Inc. in Pampanga and to issue the "corresponding number of certificates" "in the name of Luzon Stevedoring Corporation without the payment of registration fees * * *" (Annex A). On 23 February 1959 the Registrar of Deeds of Pampanga replied that the merger agreement involved transfer or conveyance of property and that unless the fees for its registration be paid first the agreement could not be registered (Annex F). In another letter dated 26 February 1959 the Luzon Stevedoring Corporation disagreed with such view, on the ground that the transfer of assets involved in the merger was not that contemplated by paragraphs C-16 and C-17 of Republic Act No. 928 and requested the Registrar of Deeds of Pampanga to reconsider his refusal to register the instrument, or, if the refusal be not reconsidered, to elevate en consulta the case to the Land Registration Commission (Annex G). As requested the case was brought en consulta to the Land Registration Commission. After notice (Annex H), hearing (Annex M) and consideration of the memoranda submitted by the parties (Annexes I and K), on 15 June 1959 the Land Registration Commission adopted the resolution (Annex N) now under review by this Court.

The question to determine is whether the absorption or acquisition by the Visayan Stevedore Transportation Company, Inc., the name of which was later on changed to Luzon Stevedoring Corporation, the herein appellant, of the assets or property of the Luzon Stevedoring Company, Inc.(LUSTEVECO), as stipulated in the Merger Agreement entered into by and between the two corporations, is a transfer or conveyance contemplated by Republic Act No. 928 subject to payment of registration fees.

In the merger agreement two juridical persons took part as parties thereto: the Luzon Stevedoring Company, Inc. (LUSTEVECO) and the Visavan Stevedore Transportation Company, Inc. (VISTRANCO). The former was

merged into the latter. The disposition of property of the former is stipulated in paragraph 1 of the merger agreement (Annex B), quoted on page 1 of this opinion, and in paragraph 3 which provides in part:

Vistraneo hereby accepts the conveyance, assignments, and transfers mentioned hereinabove * * *.

Under said paragraphs it is clear that the Luzon Stevedoring Company, Inc. (LUSTEVECO) conveyed, assigned, transferred, parted with, passed to and vested in the Visayan Stevedore Transportation Company, Inc. (VISTRANCO), later on changed to Luzon Stevedoring Corporation, the ownership, possession, use and control of all its business, property, assets and goodwill, including its real property etc. It hardly could be claimed and contended that in the merger agreement in question no transfer or conveyance of property was effectuated which would take it away from the payment of fees required by paragraphs C-16 and C-17, section 114, Act 496, otherwise known as the Land Registration Act, as amended by Republic Acts Nos. 117 and 928.

The appellant also contends that "the transfer or conveyance contemplated in par. C-16 of Republic Act No. 928 is that in which a consideration is an essential requisite for its efficacy." The contention is without merit. Not the consideration of a transfer or conveyance of property but the service to be rendered by the Registrar of Deeds is the reason for the requirement of the payment of fees. Republic Act No. 928 expressly provides that—

C. Fees payable to the Register of Deeds.—The Register of Deeds shall collect fees for all services rendered by him under this Act in accordance with the following schedule:

* * * * *

16. For the registration of a deed of sale, conveyance, transfer, exchange, partition or donation; *** (Italics supplied).

* * * * *

The provisions of section 35, Commonwealth Act No. 466, as amended by Republic Act No. 1921, on tax upon gain derived from the sale of property cannot be invoked to support the appellant's claim because the same deal with tax and not fee for services rendered.

The resolution appealed from is affirmed, with costs against the appellant.

Bautista Angelo, Concepcion, Reyes, J.B.L., Barrera, Paredes, and Dizon, JJ., concur.

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