LEXBER, INC., PETITIONER, VS. CAESAR M. AND CONCHITA B. DALMAN, RESPONDENTS.

G.R. No. 183587. April 20, 2015

Ponente: BRION, J.

Read online (full-text search, related cases, audio case brief): https://batas.org/library/g-r-no-183587/

BRION, J.:

We resolve in this petition for review on certiorari[1] the challenge to the April 14, 2008 decision[2] and the June 30, 2008 resolution[3] of the Court of Appeals (CA) in CA-G.R. SP No. 100946. These assailed CA rulings annulled the June 12, 2007[4] and August 8, 2007[5] orders of the Regional Trial Court of Quezon City, Branch 90 (trial court), which gave due course to the September 28, 2006 petition for rehabilitation[6] of petitioner Lexber, Inc. (Lexber).

Factual Antecedents
Lexber is a domestic corporation engaged in the business of housing, construction, and real estate development. Its housing projects are mostly located in the province of Benguet, Baguio City, and Cabanatuan City.[7]

Among those who availed of Lexber's housing projects are respondent-spouses Caesar and Conchita Dalman (Spouses Dalman), who bought a house and lot under a contract to sell in Lexber's Regal Lexber Homes at Tuba, Benguet.[8]

Because of the 1997 Asian financial crisis and other external factors, Lexber's financial condition deteriorated. It was forced to discontinue some of its housing projects,[9] including the one where the Spouses Dalman's purchased property is located.

As Lexber could no longer pay its creditors, it filed a petition for rehabilitation with prayer for the suspension of payments on its loan obligations.[10] Among its creditors are the Spouses Dalman who are yet to receive their purchased house and lot, or, in the alternative, a refund of their payments which amounted to P900,000.00.[11]

In an order dated June 12, 2007, the trial court gave due course to Lexber's rehabilitation petition and appointed Atty. Rafael Chris F. Teston (Atty. Teston) as rehabilitation receiver. It further ordered Atty. Teston to evaluate Lexber's rehabilitation plan and recommend the necessary actions to be taken.[12]

The Spouses Dalman filed a motion for reconsideration[13] from this order and argued that consistent with Rule 4, Section II[14] of the Interim Rules of Procedure on Corporate Rehabilitation (Interim Rules), the trial court should have dismissed outright the rehabilitation petition because it failed to approve the rehabilitation plan within 180 days from the date of the initial hearing.

The Spouses Dalman further submitted that no rehabilitation petition of a real estate company like Lexber should be given due course without the Housing and Land Use Regulatory Board's (HLURB) prior request for the appointment of the rehabilitation receiver.

On August 8, 2007, the trial court denied. Spouses Dalman's motion for reconsideration, prompting the Spouses

Dalman to seek relief from the CA through a Rule 65 petition.[15]

The CA's Ruling

The CA granted the petition for certiorari.

The CA ruled that the trial court should have dismissed Lexber's rehabilitation petition outright as there was no evidence to show that the HLURB requested the appointment of Lexber's rehabilitation receiver.[16] The CA posited that under Section 6(c)[17] of Presidential Decree (PD) 902-A, as amended,[18] it is only after the HLURB's request that a rehabilitation court can give due course to a rehabilitation petition and validly appoint a receiver.[19]

Lastly, the CA held that the rehabilitation petition must also be dismissed since the rehabilitation plan was not approved within the prescribed 180-day period under Rule 4, Section 11 of the Interim Rules.

The Petition

Lexber disclosed in its petition that in an order dated May 23, 2008, the trial court eventually dismissed the rehabilitation petition because of the disapproval of Lexber's proposed rehabilitation plan. The CA is currently reviewing this subsequent order in a separate proceeding, docketed as CA G.R. No. 103917.[20]

Notwithstanding this supervening dismissal, Lexber argues that the CA erred in reversing the trial court's initial finding of merit in the rehabilitation petition.

Lexber submits that nowhere in Section 6(c) of PD 902-A, as amended, is it provided that the HLURB's prior request for the appointment of a receiver is mandatory before the rehabilitation court can give due course to the petition for rehabilitation of a real estate company.[21]

Finally, Lexber contends that the outright dismissal of a rehabilitation petition for non-compliance with the 180-day period for the approval of the rehabilitation plan is against the Interim Rules' policy of liberal construction to facilitate the rehabilitation of distressed corporations.[22]

The Issues

The main issue before us is whether the CA erred in finding grave abuse of discretion on the trial court's part when it gave due course to the rehabilitation petition, despite:

- the absence of the HLURB's prior request for the appointment of a rehabilitation receiver; and
- the lapse of the 180-day period for the approval of a rehabilitation plan.

The Court's Ruling

We resolve to DENY the petition due to the pendency of CA G.R. No. 103917, pending with the CA after the trial court dismissed Lexber's rehabilitation petition in its May 23, 2008 order. Because of this supervening event, the Court is also compelled to deny the present petition. We so rule to avoid any conflicting ruling with the CA's decision in CA G.R. No. 103917, which is reviewing the rehabilitation petition's dismissal but for a different and more substantive reason, i.e., the disapproval of Lexber's rehabilitation plan.

This possibility of rendering conflicting decisions among reviewing courts is one of the reasons why the Rules of Procedure on Corporate Rehabilitation[23] (2008 Rules) amended the Interim Rules' provision on the available procedural remedies after the filing of the rehabilitation petition. This has also been further amended in the new

Bar review courses, mock exams and a study planner that keeps you on pace - batas.org

Financial Rehabilitation Rules of Procedure[24] (2013 Rules).

Under the Interim Rules, a motion for reconsideration is a prohibited pleading.[25] This is no longer true under the 2008 Rules and the new 2013 Rules, which implemented the procedural changes outlined below:

2008 Rules

2013 Rules

Rule 8
Procedural Remedies

Section 1. Motion for Reconsideration. -A party may file a motion for reconsideration of any order issued by the court prior to the approval of the rehabilitation plan. No relief can be extended to the party aggrieved by the court's order on the motion through a special civil action for certiorari under Rule 65 of the Rules of Court. Such order can only be elevated to the Court of Appeals as an assigned error in the petition for review of the decision or order approving or disapproving the rehabilitation plan.

An order issued after the approval of the rehabilitation plan can be reviewed only through a special civil action for certiorari under Rule 65 of the Rules of Court.

Section 2. Review of Decision or Order on Rehabilitation Plan. - An order approving or disapproving a rehabilitation plan can only be reviewed through a petition for review to the Court of Appeals under Rule 43 of the Rules of Court within fifteen (15) days from notice of the decision or order. [Emphasis supplied.]

Rule 6
Procedural Remedies

Section 1. Motion for Reconsideration -A party may file a motion for reconsideration of any order issued by the court prior to the approval of the rehabilitation plan. No relief can be extended to the party aggrieved by the court's order on the motion through a special civil action for certiorari under Rule 65 of the Rules of Court.

An order issued after the approval of the rehabilitation plan can be reviewed only through a special civil action for certiorari under Rule 65 of the Rules of Court.

Section 2. Review of Decision or Order on Rehabilitation Plan. - An order approving or disapproving a rehabilitation plan can only be reviewed through a petition for certiorari to the Court of Appeals under Rule 65 of the Rules of Court within fifteen (15) days from notice of the decision or order. [Emphasis supplied.]

Hence, under the 2008 Rules, an appeal (through a Rule 43 petition) may be filed only after the trial court issues an order approving or disapproving the rehabilitation plan. Any issue arising from a denied motion for reconsideration may only be raised as an assigned error in the Rule 43 petition and may not be questioned in a separate Rule 65 petition. The exception to this is when the issue only arose after the issuance of the order denying or approving the rehabilitation plan.

This procedural guideline had been further amended in the 2013 Rules where any relief from the trial court's denial of a motion for reconsideration is no longer available. Moreover, the CA's mode of review is now through Rule 65 and not Rule 43. But despite this further change, the 2013 Rules retained the guideline in the 2008 Rules that review may be sought from the CA only after the rehabilitation court issues an order approving or disapproving the rehabilitation plan.

Thus, if after the filing of the rehabilitation petition the trial court is satisfied that the jurisdictional requirements were complied with, the initial hearing shall commence and the petition for rehabilitation shall be given due

course.[26] At this stage, no appeal or certiorari petition may yet be filed as any remedy is only available after the order approving or disapproving the rehabilitation plan. This is to avoid the present situation where there are multiple petitions filed with the appellate courts from which conflicting decisions may be rendered.

But since these procedural rules were not yet in place when the facts of this case occurred, the Court's remedy is to deny the present petition in order to avoid pre-empting the proceedings in CA G.R. No. 103917.

Despite this denial, the Court still deems it appropriate to resolve the substantive issues which Lexber raised vis-a-vis the Interim Rules. This is to correct any erroneous legal reasoning which the CA committed, and uphold controlling legal principles for the benefit of the bench, the bar and the public.

The HLURB's prior request for the appointment of a rehabilitation receiver is not a condition precedent before the trial court can give due course to a rehabilitation petition.

To support its argument that the HLURB's prior request is a condition precedent that must be complied with before the trial court can give due course to a rehabilitation petition of a real estate company like Lexber, the CA invoked Section 6(c) of PD-902-A as basis. The pertinent part of this provision states:

> [T]he [SEC] may appoint a rehabilitation receiver of corporations, partnerships or other associations supervised or regulated by other government agencies, such as banks and insurance companies, upon request of the government agency concerned. [Emphasis supplied.]

Notably, the Securities and Exchange Commission's (SEOs) jurisdiction over rehabilitation cases had already been transferred to the regional trial courts acting as commercial courts by virtue of Republic Act (RA) 8799[27] or the Securities Regulation Code.[28] The CA argues that despite this jurisdictional transfer, the substantive provisions of PD 902-A, particularly those powers which the SEC may exercise in rehabilitation cases, remain.

The CA is correct in this line of reasoning. However it erred in interpreting Section 6(c) to mean that no rehabilitation petition of a corporation that the HLURB regulates, can be heard unless a prior request of this agency for the appointment of a rehabilitation receiver was made.

The CA explains that its reasoning is consistent with the rule that if there is a particular agency regulating a business, e.g., the Bangko Sentral ng Pilipinas (BSP) over banks, and the Insurance Commission (IC) over insurance companies, no rehabilitation petition can be initiated without their request for the appointment of a receiver.

The error in this generalization is its failure to identify the distinction between the enumerated examples in Section 6(c), i.e., banks and insurance companies, and Lexber, a construction and real estate company.

Under Section 30[29] of RA 7653,[30] which had been retained under Section 69[31] of RA 8971,[32] the designation of a conservator or the appointment of a receiver for the rehabilitation of banks and quasi-banks, is vested exclusively with the Monetary Board. On the other hand, PD 612[33] specifically mandates the IC to designate the receiver of an insurance company in case of its insolvency or rehabilitation.[34]

Clearly, the respective charters of the BSP and the IC specifically authorize them to appoint a receiver in case a company under their regulation is undergoing corporate rehabilitation. Notably, this is not the case with the HLURB. Its enabling law does not grant it this particular power.

Section 5[35] of Executive Order 64836 of the HLURB's charter, enumerates the powers that the HLURB is

authorized to exercise.

Section 8 of the same law also provides the functions which had been transferred from the National Housing Authority to the HLURB, viz:

- Regulation of the real estate trade and business;

- Registration of subdivision lots and condominium projects;

- Issuance of license to sell subdivision lots and condominium units in the registered units;

- Approval of performance bond and the suspension of license to sell;

- Registration of dealers, brokers and salesman engaged in the business of selling subdivision lots or condominium units;

- Revocation of registration of dealers, brokers and salesmen;

- Approval or mortgage on any subdivision lot or condominium unit made by the owner of developer;

- Granting of permits for the alteration of plans and the extension of period for completion of subdivision or condominium projects;

- Approval of the conversion to other purposes of roads and open spaces found within the project which have been donated to the city or municipality concerned;

- Regulation of the relationship between lessors and lessees; and

- Hear and decide cases on unsound real estate business practices; claims involving refund filed against project owners, developers, dealers, brokers or salesmen and cases of specific performance.

An examination of these functions confirms that in sharp contrast to the BSP and the IC, nowhere in the HLURB's charter is it expressly or impliedly granted the power to appoint the rehabilitation receivers of financially distressed corporations under its supervision and regulation.

An administrative agency's powers are limited to those expressly conferred on it or granted by necessary or fair implication in its enabling act. In our constitutional framework, which mandates a limited government, its branches and administrative agencies exercise only those powers delegated to them as "defined either in the Constitution or in legislation, or in both."[38]

Notably, the powers granted to the HLURB are focused on its regulation of real estate companies to ensure that the investing public is protected from fraudulent real estate practices. These powers do not touch upon the HLURB's authority to intervene in the general corporate acts, e.g. the rehabilitation, of those under its supervision.

While it may be argued that the HLURB should be informed of the financial rehabilitation of a real estate company, to enable it to intelligently and meaningfully exercise its functions, the law is clear that the HLURB's prior request for the appointment of a receiver of real estate companies, is not a condition sine qua non before the trial court can give due course to their rehabilitation petition.

The lapse of the 180-day period for the approval of the rehabilitation plan should not automatically result to the dismissal of the rehabilitation petition.

Bar review courses, mock exams and a study planner that keeps you on pace - batas.org

In ruling for the outright dismissal of Lexber's rehabilitation petition, the CA noted that the trial court failed to approve Lexber's rehabilitation plan within 180 days from the date of the initial hearing, thus prompting the application of Rule 4, Section 11 of the Interim Rules, to wit:

> Section 11. Period of the Stay Order - The stay order shall be effective from the date of its issuance until the dismissal of the petition or the termination of the rehabilitation proceedings.
>
> The petition shall be dismissed if no rehabilitation plan is approved by the court upon the lapse of one hundred eighty (180) days from the date of the initial hearing. The court may grant an extension beyond this period only if it appears by convincing and compelling evidence that the debtor may successfully be rehabilitated. In no instance, however, shall the period for approving or disapproving a rehabilitation plan exceed eighteen (18) months from the date of filing of the petition. [Emphasis supplied.]

The CA explained that the word "shall" is a word of command. Thus, the essential effect of the non-approval of the rehabilitation plan after 180 days from the initial hearing is the dismissal of the rehabilitation petition.

However, while the general rule in statutory construction is that the words "shall," "must," "ought," or "should" are of mandatory character in common parlance, it is also well-recognized in law and equity that this is not an absolute rule or inflexible criterion.[39]

The records of the present case show that on May 4, 2007, Lexber filed a motion for the extension of the period for the approval of the rehabilitation plan. However, the trial court never issued a resolution on this motion. Instead, on June 12, 2007, it issued an order giving due course to the petition. The records also reveal that after the initial hearing, the trial court had to conduct additional hearings even after the lapse of the 180-day period.

Under these circumstances, the Court concludes that Lexber could not be faulted for the non-approval of the rehabilitation plan within the 180-day period. A petitioner-corporation should not be penalized if the trial court needed more time to evaluate the rehabilitation plan. Notably, in the present case, Lexber filed a motion for the extension of the 180-day period. However, the trial court did not issue a resolution on this motion. Instead, it issued an order giving due course to the petition, which also fell within the 18-month limit prescribed under the law.

Rule 2, Section 2 of the Interim Rules dictates the courts to liberally construe the rehabilitation rules in order to carry out the objectives of Sections 6(c) of PD 902-A, as amended, and to assist the parties in obtaining a just, expeditious, and inexpensive determination of rehabilitation cases.

The trial court's decision to approve or disapprove a rehabilitation plan is not a ministerial function and would require its extensive study and analysis. As it turned out, after careful scrutiny of the rehabilitation petition, and its annexes, the trial court eventually disapproved Lexber's rehabilitation plan and dismissed the rehabilitation petition.

WHEREFORE, premises considered, we hereby DENY the present petition in view of the pendency of CA G.R. No. 103917. No costs.

SO ORDERED.

Carpio, (Chairperson), Del Castillo, Mendoza, and Leonen, JJ., concur.

---

[1] Rollo, pp. 3-56

[2] Penned by Associate Justice Rodrigo V. Cosico, and concurred in by Associate Justices Hakim S Abdulwahid

and Mariflor P. Punzalan Castillo; id. at 58-68.

[3] Id. at 70

[4] Id. at 222.

[5] Id. at 239.

[6] Id. at 71-100.

[7] Id. at 5-6.

[8] Id. at 8.

[9] Id. at 6.

[10] Id. at 7.

[11] Id. at 8-9.

[12] Supra note 4.

[13] Id. at 223-225.

[14] Sec. 11. Period of the Stay Order. - The stay order shall be effective from the date of its issuance until the dismissal of the petition or the termination of the rehabilitation proceedings.

The petition shall be dismissed if no rehabilitation plan is approved by the court upon the lapse of one hundred eighty (180) days from the date of the initial hearing. The court may grant an extension beyond this period only if it appears by convincing and compelling evidence that the debtor may successfully be rehabilitated. In no instance, however, shall the period for approving or disapproving a rehabilitation plan exceed eighteen (18) months from the date of filing of the petition. [Emphasis supplied.]

[15] Id. at 240-257.

[16] Id. at 59-60.

[17] Section 6. In order to effectively exercise such jurisdiction, the Commission shall possess the following powers:

x x x x x x x x x

(c) To appoint one or more receivers of the property, real and personal, which is the subject of the action pending before the Commission in accordance with the pertinent provisions of the Rules of Court in such other cases whenever necessary in order to preserve the rights of the parties-litigants and/or protect the interest of the investing public and creditors: Provided, however, That the Commission may, in appropriate cases, appoint a rehabilitation receiver of corporations, partnerships or other associations not supervised or regulated by other government agencies who shall have, in addition to the powers of a regular receiver under the provisions of the Rules of Court, such functions and powers as are provided for in the succeeding paragraph d) hereof: Provided, further, That the Commission may appoint a rehabilitation receiver of corporations, partnerships or other associations supervised or regulated by other government agencies, such as banks and insurance companies, upon request of the government agency concerned: Provided, finally, That upon appointment of a management committee, rehabilitation receiver, board or body, pursuant to this Decree, all actions for claims against corporations, partnerships or associations under management or receivership pending before any court, tribunal, board or body shall be suspended accordingly. [Emphasis supplied.]

Turn this case into an audio lecture - facts, issues, ruling and doctrine - at batas.org

[18] Reorganization Of The Securities And Exchange Commission With Additional Power And Placing The Said Agency Under The Administrative Supervision Of The Office Of The President.

[19] Rollo, pp. 62-64.

[20] Id. at 15-16.

[21] Id. at 32.

[22] Id. at 46.

[23] A.M. No. 00-8-10-SC, December 2, 2008.

[24] A.M. No. 12-12-11-SC, October 22, 2013.

[25] Under Rule 3, Section 1 of the Interim Rules, the following are prohibited pleadings:

- Motion to dismiss;

- Motion for a bill of particulars;

- Motion for new trial or for reconsideration;

- Petition for relief;

- Motion for extension;

- Memorandum;

- Motion for postponement;

- Reply or rejoinder;

- Third party complaint; and

- Intervention.

[26] This is consistent with the amendments in the 2008 and 2013 Rules which respectively provide:

Rule 4, Sections 5 and 7 of the 2008 Rules:

Section 5. Initial Hearing. -

(a) On or before the initial hearing set in the order mentioned in Section 7 of Rule 3, the petitioner shall file a publisher's affidavit showing that the publication requirements and a petitioner's affidavit showing that the notification requirement for foreign creditors had been complied with, as required in the stay order, x x x

Section 7. Order After Initial Hearing. -

(a) Within twenty (20) days after the last hearing, the court shall issue an order which shall:

(1) Give due course to the petition and immediately refer the petition and its annexes to the rehabilitation receiver who shall evaluate the rehabilitation plan and submit his recommendations to the court not later than ninety (90) days from the date of the last initial hearing, if the court is satisfied that there is merit to the petition, otherwise the court shall immediately dismiss the petition; x x x [Emphasis supplied.]

Rule 2, Sections 13 of the 2013 Rules:

Section 13. Compliance with Jurisdictional Requirements - On or before the first initial hearing set in the

Bar review courses, mock exams and a study planner that keeps you on pace - batas.org

Commencement Order, the petitioner shall file a publisher's affidavit showing that the publication requirements and a petitioner's affidavit showing that the service requirement for local creditors and notifications requirement for foreign creditors had been complied with, as required in the Commencement Order.

[27] Section 5.2 of RA 8799 provides that the SEC's jurisdiction over all cases enumerated under section 5 of Presidential Decree No. 902-A is now transferred to the courts of general jurisdiction or the appropriate regional trial court.

[28] Under Rule 1, Section 2 of the Interim Rules, cases for rehabilitation transferred from Securities Exchange Commission to the Regional Trial Court pursuant to Republic Act No. 8799, otherwise known as The Securities Regulation Code, shall likewise be governed by the Interim Rules.

[29] The New Central Bank Act.

[30] Section 30. Proceedings in Receivership and Liquidation — Whenever, upon report of the head of the supervising or examining department, the Monetary Board finds that a bank or quasi-bank:

(a) is unable to pay its liabilities as they become due in the ordinary course of business: Provided, That this shall not include inability to pay caused by extraordinary demands induced by financial panic in the banking community;
(b) has insufficient realizable assets, as determined by the Bangko Sentral, to meet its liabilities; or
(c) cannot continue in business without involving probable losses to its depositors or creditors; or
(d) has willfully violated a cease and desist order under Section 37 that has become final, involving acts or transactions which amount to fraud or a dissipation of the assets of the institution; in which cases, the Monetary Board may summarily and without need for prior hearing forbid the institution from doing business in the Philippines and designate the Philippine Deposit Insurance Corporation as receiver of the banking institution.

x x x x x x x x x
The designation of a conservator under Section 29 of this Act or the appointment of a receiver under this section shall be vested exclusively with the Monetary Board. Furthermore, the designation of a conservator is not a precondition to the designation of a receiver. [Emphasis supplied.]

[31] The General Banking Law of 2000.

[32] Section 69. Receivership and Involuntary Liquidation. - The grounds and procedures for placing a bank under receivership or liquidation, as well as the powers and duties of the receiver or liquidator appointed for the bank shall be governed by the provisions of Sections 30, 31, 32, and 33 of the New Central Bank Act: Provided, That the petitioner or plaintiff files with the clerk or judge of the court in which the action is pending a bond, executed in favor of the Bangko Sentral, in an amount to be fixed by the court. This Section shall also apply to the extent possible to the receivership and liquidation proceedings of quasi-banks. [Emphasis supplied.]

[33] The Insurance Code of the Philippines.

[34] Section 249 of the Insurance Code provides:

Section 249. Whenever, upon examination or other evidence, it shall be disclosed that the condition of any insurance company doing business in the Philippines is one of insolvency, or that its continuance in business would be hazardous to its policyholders and creditors, the Commissioner [of the Insurance Commission] shall forthwith order the company to cease and desist from transacting business in the Philippines and shall designate a receiver to immediately take charge of its assets and liabilities, as expeditiously as possible collect and gather all the assets and administer the same for the benefit of its policyholders and creditors, and exercise all the powers

necessary for these purposes including, but not limited to, bringing suits and foreclosing mortgages in the name of the insurance company. [Emphasis supplied.]

[35] Section 5. Powers and Duties of the Commission [the HLURB].

a) Promulgate zoning and other land use control standards and guidelines which shall govern land use plans and zoning ordinances of local governments; x x x

b) Review, evaluate and approve or disapprove comprehensive land use development plans and zoning ordinances of local government; and the zoning component of civil works and infrastructure projects of national, regional and local governments; subdivisions, condominiums or estate development projects including industrial estates, of both the public and private sectors and urban renewal plans, programs and projects: x x x

c) Issue rules and regulations to enforce the land use policies and human settlements as provided for in Presidential Decree Nos. 399, 815, 933, 957, 1216, 1344, 1396, 1517, Letter of Instructions No. 713, 729, 833, 935 and other related laws regulating the use of land including the regulatory aspects of the Urban Land Reform Act and all decrees relating to regulation of the value of land and improvements, and their rental.
d) Ensure compliance with policies, plans, standards and guidelines on human settlements promulgated in paragraph (a) of this section.
e) Conduct public hearings relating to its functions.
f) Act as the appellate body on decisions and actions of local and regional planning and zoning bodies and of the deputized officials of the Commission, on matters arising from the performance of these functions.
g) Promote, encourage, coordinate and assist private enterprises and government agencies and instrumentalities in planning, developing and coordinating human settlements plans and programs by furnishing legal, technical and professional assistance.
h) Develop and implement prototype projects supportive of its regulatory functions either by itself or as part of an inter-agency group or by contract with such appropriate public or private entities as it may deem proper,
i) Call on any government employee or any department, bureau, office, agency or instrumentality of the government or private entities and organizations for cooperation and assistance in the exercise of its functions.
j) Adopt rules of procedures for the conduct of its business,
k) Staff its organization with appropriate and qualified personnel in accordance with that is deemed proper or necessary to achieve the objectives of the Commission.
l) Make or enter into contracts of any kind of nature to enable it to discharge its functions under this
Order,
m) Acquire, purchase, own, lease, mortgage, sell or otherwise dispose of any land, or any improvements thereon, or property of any kind, movable and immovable, exercise the right of eminent domain by expropriating the land improvements thereon, which in the opinion of the Commission, are vital and necessary to develop and implement prototype projects supportive of its regulatory functions.
n) Charge and collect fees in the performance of its functions,
o) Impose administrative fine not exceeding Twenty-Thousand Pesos (P20,000.00) for any violation of its charter and of its rules and regulations,
p) Issue orders after conducting the appropriate investigation for the cessation or closure of any use or activity and to issue orders to vacate or demolish any building or structure that is determines to have violated or failed to comply with any of the laws, presidential decrees, letters of instructions, executive orders and other presidential issuances and directives being implemented by it, either on its own motion or upon complaint of any interested party.
q) Cite and declare any person, entity or enterprise in contempt of the Commission x x x;

r) Perform such other functions and activities which are necessary for the effective accomplishment of the abovementioned functions.

[36] Reorganizing the Human Settlements Regulatory Commission, February 7, 1981.

[37] Azarcon v. Sandiganbayan, 335 Phil. 1202, 1215 (1997).

[38] Id. at 1214.

[39] Agbayani v. Court of Appeals, G.R. No. 183623, June 25, 2012, 674 SCRA 358, 376.

Bar review courses, mock exams and a study planner that keeps you on pace - batas.org

ABOUT BATAS.ORG

Study smarter at BATAS.org

The Philippine bar review and law-school companion built around how your brain actually remembers.

The complete Philippine law library - free for everyone.

More than 100,000 Supreme Court decisions, Republic Acts, and executive issuances - full-text searchable, browsable by category and year, and always free. No paywall, no login. This PDF came from it.

Audio case-brief lectures.

Any decision becomes a podcast-style lecture - facts, issues, ruling, and doctrine - with read-along highlighting and a hands-free presentation mode. Study while commuting, working out, or resting your eyes.

Bar review built on the science of memory.

Complete, sequenced courses for all eight bar subjects, narrated like podcasts and reinforced with retrieval practice and spaced review - the study techniques with the strongest evidence behind them.

The full law-school curriculum.

One subscription unlocks the entire J.D. curriculum - every subject, every lesson, with your progress tracked down to the paragraph so you can pick up exactly where you left off, on any device.

Mock exams that tell you where you stand.

Timed multiple-choice exams graded instantly, with per-subject score breakdowns and focus suggestions that point you at your weakest topics first.

A study planner that keeps you on pace.

Set your schedule and BATAS tells you every day whether you are on track for bar day - and exactly which lesson to take next.

Start free at https://batas.org

The law library is free forever - and your first lesson is one click away.

The text of this document is an official public record and remains in the public domain. Formatting, presentation, and compilation © 2026 batas.org.

Downloaded free from the batas.org Law Library. Share it freely - the library is free for every law student, bar reviewee, and practitioner.