PHILIPPINE NATIONAL BANK, PETITIONER, VS. PHILIPPINE PHOSPHATE FERTILIZER CORPORATION, RESPONDENT.

G.R. Nos. 267577, 267604 & 267831, November 18, 2025

Ponente: LAZARO-JAVIER, J.

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LAZARO-JAVIER, J.:

The Case

These consolidated Petitions for Review on Certiorari[1] assail the dispositions of the Court of Appeals in CA-G.R. SP Nos. 11910, 11974, and 11982:

- Decision[2] dated July 29, 2021 affirming among others: (a) in CA-G.R. SP No. 11910, the Order[3] dated August 31, 2017 of Branch 8, Regional Trial Court, Tacloban City (Rehabilitation Court) reducing the claims of petitioner Development Bank of the Philippines (DBP) in the rehabilitation proceedings for respondent Philippine Phosphate Fertilizer Corporation (PHILPHOS); (b) in CA-G.R. SP No. 11974, the conversion of foreign currency-denominated claims of petitioner Philippine National Bank (PNB) against PHILPHOS to Philippine pesos; and (c) in CA-G.R. SP No. 11982, denying the claim of Philippine Ports Authority (PPA) for wharfage dues; and

- Resolution[4] dated March 30, 2023, denying the respective Motions for Reconsideration of PNB, DBP, and PPA.

Antecedents

PHILPHOS is the largest fertilizer manufacturer in the Philippines.[5] DBP, PNB, and PPA are some of its creditors.[6]

Under an Omnibus Credit Line Agreement (OCLA), DBP granted PHILPHOS a loan accommodation not exceeding PHP 1 billion.[7] The OCLA was secured by Mortgage Participation Certificate (MPC) No. PP 10-001[8] issued by Security Bank Corporation (Security Bank) as Mortgage Trustee under a Mortgage Trust Indenture (MTI) for PHP 1 billion.[9] Under the MTI, DBP has a first lien interest on the following collaterals:

- Buildings, improvements, machinery and equipment, watercrafts, furnitures [sic] and office equipment at [PHILPHOS's] fertilizer complex in Isabel, Leyte; and

- Leasehold improvements, furnitures [sic] and office equipment located in [PHILPHOS's] Makati Office.[10]

The MTI provided that "(a)ll insurance policies on the [collaterals] as well as renewals thereof obtained pursuant thereto shall be made payable, assigned or endorsed to the Mortgage Trustee acting on behalf and for the benefit of the Creditors (including DBP), pro rata, as their respective interest in the [collaterals] may from time to time appear."[11]

PHILPHOS repeatedly availed of the loan accommodation under the OCLA. When the OCLA expired, DBP and

PHILPHOS entered into several renewal agreements, with the last one expiring on June 30, 2014.[12] During the renewals, PHILPHOS's credit line was secured by the same MPC.[13]

PNB also granted PHILPHOS a credit line of PHP 500 million,[14] through various credit facilities, viz.: (a) Letter of Credit/Trust Receipt Line; and (b) Domestic Bills Purchase Line.[15] Due to PHILPHOS's satisfactory payment record, PNB increased the loanable amount to PHP 545 million.[16] PHILPHOS used the loan proceeds for the importation of goods necessary in the production of fertilizer.[17] The loan was secured by another MPC for PHP 500 million also issued by Security Bank.[18]

PPA operates the Port of Isabel, Leyte[19] where PHILPHOS receives imported goods for fertilizer production. The PPA charges wharfage dues and other fees for the use of Philippine ports.[20]

In 2013, Typhoon Yolanda/Haiyan (Typhoon Yolanda) struck Central Visayas, damaging the fertilizer manufacturing plant of PHILPHOS in the province of Leyte, causing it to stop its operations.[21] Consequently, PHILPHOS sought a reprieve from payment of its obligations. Under a Letter[22] dated November 14, 2013, it requested an immediate moratorium on its outstanding payments to DBP.[23]

By then, PHILPHOS had an unpaid matured principal obligation to DBP in the amount of PHP 998,514,974.49.[24] To partially settle its outstanding obligation, PHILPHOS executed a Deed of Assignment[25] dated October 27, 2014, through which it assigned to DBP PHP 537,735,849.06 from the stock insurance proceeds it would receive from UCPB General Insurance Co., Inc. on account of the damage it suffered from Typhoon Yolanda. DBP received only PHP 499,909,185.79.[26]

On August 13, 2014, PHILPHOS signed a Financial Advisory Mandate[27] (FAM) with Asia United Bank (AUB) and DBP as financial advisors. Under the FAM, AUB and DBP would formulate a rehabilitation plan which would allow sustainable reoperation of the manufacturing plant of PHILPHOS, generate revenue, recover losses, and at the same time settle all its outstanding obligations.[28]

Meantime, PHILPHOS filed a Petition for Voluntary Rehabilitation pursuant to Republic Act No. 10142 or the Financial Rehabilitation and Insolvency Act of 2010 (FRIA) before Branch 12, Regional Trial Court, Ormoc City on September 17, 2015.[29] The trial court granted the Petition and issued a Commencement Order[30] dated September 22, 2015: (a) setting an initial hearing date; (b) instructing the creditors of PHILPHOS to file their respective verified notices of claim; and (c) ordering the parties to comply with the Stay or Suspension Order issued under Chapter II (A)(16) of the FRIA. Subsequently, PHILPHOS informed DBP that as of September 22, 2015, it was terminating the services of DBP and AUB as financial advisors.[31]

Upon motion of another PHILPHOS creditor, Mekatrade, Inc., the Petition for Rehabilitation was transferred to the Rehabilitation Court pursuant to a Court of Appeals Decision dated July 21, 2016.[32]

On various dates, petitioners filed their respective verified notices of claim[33] against PHILPHOS. Their claims are summarized, as follows:

For

Amount

PNB

Letter of Credit – Trust Receipt Line

USD 5,878,550.31[34]

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DBP

Omnibus Credit Line Agreement

PHP 583,671,150.37[35]

Financial Advisor Fees

PHP 20,566,543.00[36]

PPA

Wharfage dues

PHP 174,563,552.10[37]

On November 14, 2016, court-appointed rehabilitation receiver, Atty. Aris L. Gulapa (rehabilitation receiver), submitted a Preliminary Registry of Claims (preliminary registry) to the Rehabilitation Court.[38] The creditors were given 15 days to file their respective challenges to the preliminary registry.[39]

DBP found out that its claim under the OCLA was reduced to PHP 562,255,553.49, arid its entitlement to Financial Advisor Fees, to PHP 15,000,000.00.[40] Similarly, PNB noted that the statement of its claims in the preliminary registry "was erroneous" and that it should be modified to reflect the accurate currency and amount owed by PHILPHOS, i.e., USD 6,094,449.69 (as of November 14, 2016).[41] For its part, PPA discovered that out of its total claim, only PHP 4,526,434.73 was categorized as "non-disputed accounts" while PHP 159,434,382.87 was, "disputed accounts."[42]

On June 19, 2017, DBP filed a Manifestation and Omnibus Motion[43] dated June 14, 2017, praying that PHILPHOS, the rehabilitation receiver, and/or Security Bank be ordered to put up additional collateral and procure insurance coverage over all collaterals covered by the MTI since PHILPHOS failed to renew the insurance thereon. On July 28, 2017, DBP received the Resolution[44] dated July 23, 2017 of the rehabilitation receiver, viz.:

> WHEREFORE, premises considered, the Rehabilitation Receiver PARTIALLY GRANTS DBP's Challenge. DBP's claims against [PHILPHOS] will be listed in the Final Registry to be submitted to this Honorable Court as follows:
>
> Nature of Claim
>
> Amount (in [PHP])
>
> DBP
>
> Short Term Loan
>
> 562,255,553.49
>
> DBP
>
> Advisor's Fees
>
> 15,000,000.00
>
> Total
>
> 577,255,533.49[45](Emphasis in the original)

DBP filed a Partial Motion for Reconsideration[46] dated August 2, 2017 with the Rehabilitation Court claiming that the rehabilitation receiver erred in: (a) reducing its claims as a secured creditor of PHILPHOS; and (b) reducing its portion of the financial advisor fees.

PNB also received the Resolution[47] dated July 23, 2017, which provides, viz.:

> WHEREFORE, premises considered, the Rehabilitation Receiver:
>
> a. [D]enies the claims in PNB's Comment insofar as the inclusion of its claims for stipulated interest and penalty charges;
>
> b. [D]enies the claim of PNB to be paid only in US Dollars and determines that the obligation of [PHILPHOS] in the amount of Five Million Eight Hundred Forty-Three Thousand Eight Hundred Ninety-Two Dollars and 78/100 (USD 5,843,892.78) be converted to Two Hundred Seventy-One Million Seven Hundred Thirty-Five Thousand Seven Hundred Fifty-Four Pesos and 77/100 (PHP 271,735,754.77), using the exchange rate of USD 1 to PHP 46.4991.[48]
>
> Thus, in the Final Registry to be submitted by the Rehabilitation Receiver to this Honorable Court, PNB will be listed as a creditor of [PHILPHOS] for the amount of Two Hundred Seventy-One Million Seven Hundred Thirty-Five Thousand Seven Hundred Fifty-Four Pesos and 77/100 (PHP 271,735,754.77)[.][49]

The rehabilitation receiver also denied PPA's claim for wharfage dues, value-added tax (VAT), interest, and penalty dues because PHILPHOS, a Philippine Economic Zone Authority (PEZA)-registered entity, is exempt from payment of said dues based on the PEZA Director-General's Opinion dated November 30, 2010 (PEZA 2010 Opinion).[50]

In the interim, PHILPHOS filed a Manifestation and Motion [to Approve the (1) Omnibus Prepaid Tolling Agreement and Conversion Fees and Security Agreement dated 19 October 2016 between Agrifields DMCC and PHILPHOS; (2) Tolling Agreement dated 19 October 2017 between Agrifields and PHILPHOS; and (3) Proposed Contract of Lease betwee.n Cohaco Merchandising & Dev. Corporation and PHILPHOS] (Manifestation to Approve).[51] The Omnibus Prepaid Tolling Agreement (OPTA) entailed, among others, the constitution of a mortgage over certain properties of PHILPHOS in favor of Agrifields DMCC (Agrifields), whose mortgage must be "first ranking."[52] In particular, the OPTA states, viz.:

> Section 18. CHATTEL MORTGAGE
>
> The parties are aware that the land on which the Phosphate Acid Line and Building are or will be located is not owned by [PHILPHOS]. For this reason, all the assets listed in Schedule II are considered by the parties to be chattels and subject them therefore to the Chattel Mortgage created hereunder.
>
> (a) Creation of Chattel Mortgage on the Chattel
>
> As security for the timely payment, discharge, observance and performance of the Obligations, [PHILPHOS] hereby:
>
> (1)
>
> Conveys and creates, establishes and constitutes in favor of Agrifields a first ranking Chattel Mortgage on the Present Chattels. . .[53] (Emphasis in the original)

Notably, the properties covered by the OPTA were also the ones used to secure the claims of DBP and PNB under their respective MPCs and the MTJ.[54]

On August 31, 2017, the Rehabilitation Court issued several orders.[55] First. It affirmed the write-off of interest

from the time Typhoon Yolanda occurred until such time that PHILPHOS is financially capable to pay its obligations.[56] Since there is no more interest to speak of, the earlier payment of PHILPHOS to DBP in the amount of PHP 20,481,776.27 for interest due should be applied instead to its principal loan obligation.[57] It also upheld the reduction of financial advisor fees under the FAM.[58]

Second. It affirmed the finding of the rehabilitation receiver that PNB's claim may be converted from United States dollars (USD) into Philippine pesos should it be the best way for the debtor to get rehabilitated[59] and the authority of the rehabilitation receiver to validly recommend the write-off and exclusion of penalties and other accessory obligations if the write-off involves all creditors and will not violate the principle of pari passu.[60]

Third. Citing the PEZA 2010 Opinion, it also denied PPA's claim for wharfage dues.[61] It found that the PEZA 2010 Opinion clearly exempts PHILPHOS not only from wharfage dues on its exports, but also from wharfage dues under Section 3(n) of Presidential Decree No. 1716.[62] Republic Act No. 7916 or the Special Economic Zone Act of 1995 exempts items brought into economic zones from wharfage dues so long as these exports are brought in by PEZA-registered enterprises.[63] More, Republic Act No. 7916, as amended by Republic Act No. 8748, exempts Ecozone Export or Free Trade Enterprises from payment of wharfage dues.[64]

Fourth. It granted the Manifestation to Approve of PHILPHOS.[65] It agreed that the three agreements submitted for approval would expedite the rehabilitation bf PHILPHOS because they would result in financial benefits of approximately USD 17.20 million per year, among others.[66] As such, it "enjoin[ed] the secured parties under the MTI to approve the agreements and release their liens on the relevant chattels subject to a suspensive condition that should the rehabilitation not happen, or should the rehabilitation happen and upon the performance by [PHILPHOS] of all its obligations under all its agreements, the chattels under the mortgage shall revert to the MTI."[67]

Subsequently, the rehabilitation receiver submitted to the Rehabilitation Court a Motion (for Submission of the Amended and Final Registry of Claims)[68] dated September 2, 2017. He also submitted a Report[69] dated September 2, 2017 where he concluded that the creditors of PHILPHOS would lose more if PHILPHOS is liquidated instead of rehabilitated.[70] By Order[71] dated September 15, 2017, the Rehabilitation Court found that there is a substantial likelihood for the rehabilitation of PHILPHOS. It then directed the rehabilitation receiver to confer with PHILPHOS and its creditors to formulate a rehabilitation plan.[72]

On November 29, 2017, a Notice to Stakeholders was published in the Daily Tribune stating that a Revised Rehabilitation Plan[73] (RRP) was ready for examination bythe stakeholders of PHILPHOS.[74] Voting for approval of the RRP was held on February 5, 2018. The next day, the rehabilitation receiver informed the Rehabilitation Court that the RRP was rejected by creditors, with only 25.59% of the secured creditors and 62.8959% of unsecured creditors voting for its approval.[75]

PHILPHOS filed a Motion to Confirm the New Revised Rehabilitation Plan (Motion to Confirm) on February 15, 2018.[76] The New Revised Rehabilitation Plan (NRRP) modified certain features of the RRP. Among its salient features are:

- Due to the rejection of the RRP, the new creditor, also referred to by the creditors as the "White Knight," who was supposed to extend a loan to PHILPHOS in the amount of [PHP] 1.5 Billion, has withdrawn its offer;

- For the same reason, customers have become apprehensive and customer advances have decreased from [PHP] 600 Million to [PHP] 400 Million;

- Slower production ramp-up due to limited working capital resulting to lost output volume;

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- Longer period of time to generate funds from operations intended for capital expenditure build-up to rehabilitate various production facilities;

- Although the repayment period, the interest rate, and the start of accrual and payment of interest will stay the same, there will be a longer grace period for the repayment of the principal obligations, beginning Year 5 in the RRP changed to beginning Year 11 in the NRRP; and,

- Due to the overall effect of the foregoing factors, debt forgiveness equivalent to fifty percent (50%) of the amount of the principal obligations will have to be implemented.[77]

The NRRP was not submitted to the stakeholders for approval.[78]

Ruling of the Rehabilitation Court

Over the objections of PHILPHOS's creditors, the Rehabilitation Court approved the Motion to Confirm under its Order[79] dated April 16, 2018, viz.:

> WHEREFORE, premises considered, this Court resolves to GRANT petitioner's Motion to Confirm, dated February 15, 2018, and so hereby CONFIRMS the New Revised Rehabilitation Plan, dated February 6, 2018.[80] (Emphasis in the original)

The Rehabilitation Court held that under the FRIA and the Financial Rehabilitation Rules of Procedure of 2013 (FR Rules), it is allowed to approve a rehabilitation plan motu proprio. To rule otherwise would hold it "hostage to the caprice" of creditors because it would be unable to modify or overhaul a rehabilitation plan, such as the RRP, rejected by creditors.[81] Thus, it has the "inherent power" to confirm the NRRP even if it is distinctly different from the RRP that was effectively rejected."[82]

The Rehabilitation Court also allowed the reduction of the obligations of PHILPHOS by 50% since debt forgiveness at the rate of 50% has jurisprudentially been found acceptable.[83] It likewise found that the release of the lien under the MTI did not violate creditors' rights.[84] The release of real properties "to become part of the debtor's pool of properties is allowed and does not violate the right of secured creditors against the impairment of contracts."[85]

More important, the public would be better served by the rehabilitation of PHILPHOS.[86] It is among the top 20 exporters in the Philippines and hires around 2,800 employees. Should PHILPHOS be liquidated, the loss of employment and income would be extremely detrimental to the local community. The closure of the country's largest phosphate fertilizer manufacturer would also adversely affect the country's agricultural industry.[87] According to the Rehabilitation Court, it is "duty-bound" to consider the foregoing circumstances in deciding whether rehabilitation or liquidation is better for PHILPHOS.[88]

Some of the creditors of PHILPHOS filed their respective Motions for Reconsideration but these were also denied by the Rehabilitation Court in its Order[89] dated May 31, 2018, viz.:

> PREMISES CONSIDERED, the motions for reconsideration preliminary oft-mentioned and all other incidents subject hereof are DENIED. Only the report and accounting of the rehabilitation receiver together with his discharge are given due course.[90]

Ruling of the Court of Appeals

By Decision[91] dated July 29, 2021, the Court of Appeals affirmed the foregoing dispositions of the Rehabilitation Court pertaining to DBP and PNB, viz.:

> Judgment is hereby rendered as follows:

> . . . .
> 2. AFFIRMING in [CA-G.R.] SP No. 11910 the Order dated August 31, 2017, as to the claim of DBP and the succeeding amendment as to the amount thereof by the Rehabilitation Receiver's Submission of the Final Registry of Claims;
> 3. AFFIRMING in [CA-G.R.] SP No. 11974 the Order dated August 31, 2017, as to the claim of PNB, as well as the Order dated January 17, 2018, denying the Motion for Reconsideration thereto[.][92] (Emphasis in the original)

It found that the Rehabilitation Court may employ debt forgiveness to facilitate the rehabilitation of PHILPHOS. Further, accessory obligations may be excused if the debtor proves that failure of the performance of its obligation was due to force majeure. Thus, the reduction of DBP's claim is proper, as well as the write-off of unpaid interest and penalties from the date Typhoon Yolanda occurred.[93]

The Court of Appeals also found that the application of the payment by PHILPHOS in the amount of PHP 20,481,776.27 to its principal obligation instead of the outstanding interest was warranted. DBP could not be allowed to charge interest in the wake of Typhoon Yolanda without violating the principle of pari passu.[94] To rule otherwise would have allowed DBP to receive payment during the suspension period, while all other creditors of PHILPHOS were prevented from enjoying the same privilege.[95]

More, the Court of Appeals upheld the reduction of DBP's financial advisor fees under the FAM. It found that the FAM was valid only for one year, and that any extension required the consent of PHILPHOS, DBP, and AUB. Because their parties did not extend the validity of the FAM, it was automatically terminated one year after its execution.[96] As such, DBP and AUB were entitled only to retainer fees of PHP 30 million[97] or PHP 15 million each. Since the FAM was terminated voluntarily, DBP and AUB were not entitled to the PHP 5 million disengagement fee.[98]

With respect to PNB, the Court of Appeals found that the conversion of its USD-denominated claim against PHILPHOS to Philippine pesos was proper.[99] Corporate rehabilitation must "[provide predictability] that commercial obligations will be met despite business downturns."[100] When PNB filed its claim, it admitted that the USD was "highly volatile."[101] Therefore, it was within the power of the rehabilitation receiver to convert the obligation of PHILPHOS to PNB to Philippine pesos to turn it into "an amount certain" and to avoid additional risk of PHILPHOS defaulting on its obligations due to the unpredictability of exchange rates.[102]

The Court of Appeals also found no merit in the claim that the OPTA and the Tolling Agreement dated October 19, 2017 between Agrifields and PHILPHOS violated the rights of secured creditors.[103] In other jurisdictions, "it is not unheard of for a creditor's claim to be secured by a lien that is equal or senior to an existing lien."[104] And although Agrifields' mortgage over the Phosphoric Acid Plan (PAP) is superior to the other creditors of PHILPHOS, such circumstance is inconsequential because the "estimated current value of the PAP assets covered by the [MPCs] is practically zero" as a result of its decimation during Typhoon Yolanda.[105]

In any event, the Rehabilitation Court ordered that the PAP shall revert to the MTI "if the rehabilitation of PHILPHOS [would] not happen or upon [its successful] rehabilitation." All told, there is no diminution or impairment of their security interest which violates Section 60 of the FRIA.[106] The concern that Agrifields would foreclose on the PAP in case of noncompliance by PHILPHOS under the OPTA and the Tolling Agreement is "speculative at best."[107]

As well, the PAP's "market value in orderly liquidation" is only PHP 509,346,000.00. Dismantling and selling the PAP for a fraction of its price is grossly disadvantageous compared to the prospective financial benefits of allowing Agrifields to reconstruct, use, and return the PAP to profitable operation.[108] Indeed, long-term

viability must be preferred over immediate but incomplete recovery.[109]

Nevertheless, the Court of Appeals held that the Rehabilitation Court gravely abused its discretion when it approved the NRRP even though the procedure of objection and confirmation under Sections 61 to 66 of the FR Rules was not complied with.[110] Fairness dictates that creditors must be notified of changes to the original rehabilitation plan submitted to the Rehabilitation Court. They, too, must be given the opportunity to raise any of their comments or opposition thereon,[111] otherwise, their right to due process would be violated.[112] Consequently, it ordered the remand of the case to the Rehabilitation Court for due process considerations, among others.[113]

Lastly, the Court of Appeals reminded the Rehabilitation Court and the rehabilitation receiver to "faithfully follow and comply with the provisions of the FRIA and FR Rules in [case they find it necessary to come up with a new rehabilitation plan] to protect creditors' rights and interests."[114] Verily, the rehabilitation plan must provide: (a) that the majority stockholder lose its controlling interest within a definite period as a result of rehabilitation; and (b) information on the net present value of scheduled payments to creditors in addition to liquidation analysis.[115] Notably, the Court of Appeals did not rule on the issues raised by PPA.

Under Resolution[116] dated March 30, 2023, the respective Motions for Reconsideration of DBP, PNB, and PPA were denied. The Court of Appeals also, for the first time, directly addressed PPA's claim.

It found that prior to CA-G.R. SP No. 11982, PPA filed a Petition for Certiorari before the Court of Appeals docketed as CA-G.R. CEB-SP No. 11772 to challenge the Orders[117] dated August 31, 2017 and January 17, 2018 which denied PPA's claim for wharfage, dues, and its Motion for Reconsideration, respectively. However, the Petition was dismissed on June 18, 2020,[118] and when PPA sought reconsideration, it was denied on October 28, 2021, which ultimately led to the issuance of an Entry of Judgment on June 3, 2022.[119]

When the Rehabilitation Court confirmed the NRRP, PPA filed its Petition for Certiorari docketed as CA-G.R. SP No. 11982 opposing its approval. But PPA no longer raised the amount of its claim as an issue, nor prayed for its correction.[120] More important, filing a petition for certiorari against the aforesaid Orders, according to the Court of Appeals, was improper. PPA should have filed a petition for certiorari "after the approval or disapproval of the debtor's Rehabilitation Plan."[121]

The Present Petitions

The PNB Petition[122] – G.R. No. 267577

PNB maintains that converting the USD-denominated loan of PHILPHOS to Philippine pesos violates the rights of creditors who extended foreign currency loans because "the real value of the foreign exchange-incurred obligation"[123] is not preserved. Further, conversion is not sanctioned by the FRIA and the FR Rules.[124] More so because the reason adduced by the rehabilitation receiver for conversion, i.e., convenience in the computation of voting rights of one creditor vis-à-vis the others, cannot negate the contractual obligations of the parties.[125]

Further, such conversion using the rate provided by the rehabilitation receiver will lead to a substantial dilution and reduction of PNB's claim.[126] This runs counter to the rationale of a rehabilitation plan which is to minimize loss to all stakeholders.[127] Certainly, a rehabilitation plan should allow the closest present value recovery for creditors.[128] More important, PNB asserts that "the rate of exchange to be applied should be that prevailing at the time of payment."[129]

PNB likewise claims that the conversion of the loan to Philippine pesos is not an effective risk-mitigating measure. PHILPHOS, being located inside a processing zone, has commitments to export its products and for

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which it is paid in USD.[130] Because of its "natural dollar cash flow," it can pay its obligations without contending with the volatility of exchange rates. Hence, there is no "undue risk" which warrants a premature conversion of its USD obligations into Philippine pesos.[131]

Finally, PNB reiterates that the approval of the OPTA and the Tolling Agreement violates Sections 60 and 620) of the FRIA because it diminishes the security interest of secured creditors without their consent. Under the two agreements, a superior mortgage in favor of Agrifields would be constituted over properties being used to secure the obligations of PHILPHOS to its other creditors, including PNB.[132] Worse, PNB was not given any choice but to accept the impairment of its rights under the MTI.[133]

The DBP Petition[134] – G.R. No. 267604

DBP asserts that the reduction of its claim under the OCLA was a result of the rehabilitation receiver's "arbitrary action" of: (a) applying the PHP 20,481,776.27 interest payment of PHILPHOS to its principal loan obligation; and (b) totally excluding DBP's claim for PHP 933,820.61 by way of interest and other charges.[135] Notably, the Civil Code provides that debt payments must first be applied to stipulated interest.[136] In this regard, DBP points out that the "power to recall or cancel application [of] payment" is not among the powers and duties of a rehabilitation receiver. As for the exclusion of its claim for interest and other charges, DBP emphasizes that force majeure per se does not exempt a debtor from paying stipulated interests.[137]

More, DBP impugns the reduction of the obligations of PHILPHOS by 50%[138] because it violates a "duly executed loan agreement" which provides the full amount of the loan, as well as the stipulated interests and related charges.[139] Certainly, courts can only enforce contractual stipulations, not modify them.[140] To recall, the funds lent by DBP to PHILPHOS were in turn borrowed from depositors. The 50% reduction would make it improbable for DBP to return the funds it borrowed.[141] This cannot be allowed since a bank's viability depends on its ability to return the money it has borrowed from its depositors.[142]

DBP also assails the reduction of its share in financial advisor fees.[143] Because there is no automatic termination clause in the FAM, the disengagement fee of PHP 5 million should not have been excluded from its claim since PHILPHOS prematurely and unilaterally terminated DBP and AUB as financial advisors.[144]

Lastly, DBP, like PNB, also prays that its security interest be protected. It seeks the nullification of certain portions of the OPTA and the Tolling Agreement. Under the MPC, DBP is entitled to up to 18% of the total chattels covered by the MTI. However, the OPTA and the Tolling Agreement "reduce[s] and release[s]. . . its security interest . . ."[145] in violation of Section 60 of the FRIA. Alternatively, PHILPHOS must be ordered to "put up additional collaterals and securities to cover [any] reduction of the secured creditors' security interests" pursuant to Section 61 of the FRIA.[146]

The PPA Petition[147] – G.R. No. 267831

PPA submits that the Court of Appeals should have determined the propriety of its claim against PHILPHOS because such issue had not yet been settled in CA-G.R. CEB-SP No. 11772.[148] It claims that PPA's entitlement to wharfage dues on the importations of PHILPHOS is relevant not only to the present Petition but also to all the future shipments of PHILPHOS. Particularly, nonpayment of wharfage dues is an important factor in its rehabilitation because it could "be used as legal ground to deny [its requests] for [arrival] clearances [necessary] to withdraw cargoes from the ports."[149]

PPA further maintains that the PEZA-registered status of PHILPHOS does not exempt it from payment of wharfage dues on the materials which it imports. It faults the courts below for relying heavily on the PEZA 2010 Opinion. It reiterates that it is mandated under the law to regulate and operate a rationalized national port system.

Thus, its interpretation of applicable regulations deserves great weight. As such, the Court of Appeals should have ruled on the conflicting interpretations of the PEZA and the PPA.[150]

In any event] while Presidential Decree No. 1716 exempts importations from wharfage dues and other fees, charges, and rates, such importations must be "in connection with [the PEZA entity's] registered operation."[151] Therefore, not all importations by a PEZA entity are exempt from wharfage dues.[152] Consequently, PPA is entitled to wharfage dues, VAT, interests, and penalties on importations not connected to PHILPHOS's registered operation.[153]

Because all Petitions emanate from similar circumstances, involve the same respondent, and assail the same Court of Appeals Decision and Resolution, the Court ordered their consolidation under Resolution[154] dated November 6, 2023.

By Resolution[155] dated August 14, 2024, the Court ordered respondents to file their respective comments on the consolidated Petitions. PHILPHOS filed its Consolidated Comment (with Entry of Appearance)[156] dated October 25, 2024.

In its Consolidated Comment, PHILPHOS ripostes[157] that the rehabilitation receiver is granted the power to determine how the debtor may be rehabilitated.[158] As such, the rehabilitation receiver may utilize various tools in performing their functions. This includes the implementation of grace periods, as well as the write-off of principal obligations, interests, and other charges. What is important is that the debtor can "gain a new lease on life" so that "creditors [may] be paid their claims from the [debtor's] eventual earnings."[159] It also addressed PNB, OBP, and PPA's assertions, thus:

First. PNB's claim that the conversion of PHILPHOS's USD-denominated debts into Philippine pesos using the foreign exchange rate at the time of the filing of the Petition of Voluntary Rehabilitation[160] is not premature. Sections 31(k) and 62(f) of the FRIA grant the rehabilitation receiver sufficient discretion to convert the currency of claims in relation to determining the voting interests of creditors in the Registry of Claims.[161] Further, conversion to Philippine pesos was necessary because of the volatile nature of the USD and the risks pertaining to such volatility.[162] As admitted by PNB, the USD "unexpectedly and uncharacteristically strengthened...at the time PNB submitted its Notice of Claim."[163]

Likewise, the "substantially dilution and reduction" of PNB's claim because of the conversion from USD to Philippine pesos does not invalidate such conversion.[164] Reduction of debt is one of the essential features of a rehabilitation case and is not considered prejudicial to the interest of a secured creditor. A rehabilitation plan may involve reduction of liability without actual cancellation or obliteration of a creditor's claim.[165] In any event, the NRRP demonstrates that, under its terms and conditions, creditors "stand to actually recover more as compared to when the Rehabilitation Court issues an order for [PHILPHOS's] liquidation."[166]

Second. PNB and OBP erroneously claim that the OPTA and the Tolling Agreement "diminishes the security interest of the creditors in the MTI."[167] The Court has held that "despite the release of real properties covered [under an] MTI, the creditors' preferred status over unsecured creditors relative to the mortgage liens is retained, but the enforcement of such preference is merely suspended."[168] Further, the relevant provisions of the NRRP ensure and protect the security interest of MTI creditors because it states that "should the rehabilitation not happen, or should the rehabilitation happen and upon the performance of [PHILPHOS] of all its obligations under all its agreements, the chattels. . . shall revert to the MTI."[169]

Third. The reduction of PHILPHOS's short-term loan obligation to DBP and the reduction of the financial advisor fees owed by PHILPHOS to DBP was proper.[170] The rehabilitation receiver's statutory power includes debt

forgiveness. Thus, the rehabilitation receiver has the power: (a) to apply payments to the principal instead of interest; and (b) to write-off interest and penalties.[171] With respect to financial advisor fees, the Court of Appeals correctly found that the FAM was automatically terminated after 12 months, without any renewal or extension.[172]

Last. PPA's claim can no longer be entertained because its Petition for Certiorari before the Court of Appeals was filed out of time.[173] Notably, PPA filed its petition for certiorari only on July 19, 2018, more than two months after it received the Rehabilitation Court's Order approving the NRRP. Therefore, PPA is not entitled to any relief arising from said Petition for Certiorari.[174] In any event, the issues raised by PPA, i.e., the amount of its claim, are not among the issues which it raised before the Court of Appeals.[175] PPA only assailed the alleged procedural issues in the approval of the NRRP. Thus, the amount of PPA's claim became final.[176]

Despite receipt of the Resolution dated August 14, 2024, the rehabilitation receiver failed to file a comment within the non-extendible period of 10 days from receipt of notice, or by October 31, 2024 as shown in the Postmaster's Certification.[177] However, on April 4, 2025, the rehabilitation receiver filed with the Court a Motion to Admit the Comment of the rehabilitation receiver [Re: Petition for Review dated 11 August 2023 of the Philippine Ports Authority] (Motion to Admit Comment) dated March 28, 2025.[178]

In his Motion to Admit Comment, the rehabilitation receiver admitted receiving the Court's Resolution dated August 14, 2024 but initially came to the conclusion that "it may not be necessary to file a comment to the Petitions."[179] Nonetheless, after receiving the Court's Resolution dated November 26, 2024 informing him that the Court was awaiting his comment, he "recogniz[ed] the importance of providing the requested Comment... specifically in response to the Petition for Review filed by [PPA.]"[180] After reexamination, he found that PHILPHOS's position "aligns with [his] findings, and thus, there was no need to stray from the same as it is based on established jurisprudence."[181] The rehabilitation receiver reasserts PHILPHOS's claim that PPA's Petition for Certiorari was filed out of time and that the issue on the amount of PPA's claim against PHILPHOS was already resolved in a separate Petition for Certiorari before the Court of Appeals.[182]

Our Ruling

Preliminarily, the Court notes that PHILPHOS has repeatedly referred to the NRRP in various portions of its Consolidated Comment.[183] To recall, however, the Court of Appeals already settled[184] that the Rehabilitation Court gravely erred when it approved the NRRP despite its nonsubmission to stakeholders for approval.[185] PNB, DBP, and PPA did not assail this portion of the Court of Appeals Decision dated July 29, 2021. Neither has PHILPHOS shown that it filed a petition before the Court assailing this finding. Settled is the rule that issues not raised on appeal are already final and cannot be disturbed.[186] Hence, this unquestioned portion of the Court of Appeals Decision binds the Parties here.

The FRIA defines rehabilitation as the restoration of the debtor to a condition of successful operation and solvency if it is shown that its continued operation is economically feasible and its creditors can recover more by way of the present value of payments projected in the plan if the debtor continues as a going concern than if it is immediately liquidated.[187] Its purpose is not only to enable the company to gain a new lease on life, but also to allow creditors to be paid their claims from its earnings when so rehabilitated. Hence, the remedy must be accorded only after a judicious regard of all stakeholders' interests; it is not a one-sided tool that may be graciously invoked to escape every position of distress.[188]

To stress, the law does not unduly favor the distressed corporation over its creditors, or vice versa. Instead, the FRIA requires rehabilitation courts to balance the delicate interests of all parties involved. Corporate rehabilitation must grapple with the problem of how to salvage and protect the interests of investors and creditors

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while restructuring and rehabilitating a faltering company.[189] Further, the Court in Metropolitan Bank & Trust Co. v. Fortuna Paper Mill & Packaging Corp.[190] ordained:

> Rehabilitation assumes that assets are still serviceable to meet the purposes of the business. The corporation receives assistance from the court and a disinterested rehabilitation receiver to balance the interest to recover and continue ordinary business, all the while attending to the interest of its creditors to be paid equitably.
>
> . . . .
>
> Philippine Bank of Communications v. Basic Polyprinters and Packaging Corporation reiterates that courts "must endeavor to balance the interests of all the parties that had a stake in the success of rehabilitating the debtors." These parties include the corporation seeking rehabilitation, its creditors, and the public in general.[191] (Citations omitted)

It is in this context that the Court must now resolve the issues.

Conversion of PNB's foreign currency-denominated claim to Philippine pesos

The FRIA sanctions various measures to rehabilitate an ailing corporation such as: debt forgiveness, debt rescheduling, reorganization or quasi-reorganization, dacion en pago, debt-equity conversion and sale of the business (or parts of it) as a going concern, or setting-up of new business entity as prescribed in Section 62 of the FRIA, or other similar arrangements as may be approved by the court or creditors.[192] PNB asserts that conversion of its USD-denominated receivables from PHILPHOS into Philippine pesos is not one of the approved methods. PNB also posits that the exchange rate proposed by the rehabilitation receiver substantially dilutes its claim.[193]

PNB's position is untenable.

The FRIA and the FR Rules both enumerate various measures which could be used to rehabilitate a distressed corporation. These enumerations begin by listing several specific actions and end with the general phrase "or other similar arrangements."[194]

Under the principle of ejusdem generis, where general terms follow the designation of particular things or classes of persons or subjects, the general term will be construed to comprehend those things or persons of the same class or of the same nature as those specifically enumerated.[195] The purpose of the rule is to give effect to both the particular and general words, by treating the particular words as indicating the class and the general words as including all that is embraced in said class, although not specifically named by the particular words.[196] This is justified on the ground that if the lawmaking body intended the general terms to be used in their unrestricted sense, it would have not made an enumeration of particular subjects but would have used only general terms.[197]

The question, therefore, is whether conversion of foreign currency obligations to Philippine pesos, as well as the fixing of the applicable exchange rate, belongs to the same class of measures enumerated in the FRIA and the FR Rules and is thus subsumed under the phrase "other similar arrangements."

Debt reorganization is defined as "bilateral arrangements between both the creditor and the debtor that alter the terms established for the servicing of a debt."[198] Debt rescheduling and forgiveness authorized under the FRIA and FR Rules are types of debt reorganization, viz.:

> Types of debt reorganization include debt rescheduling, refinancing, forgiveness, conversion and prepayments. Debt rescheduling constitutes a formal deferment of debt-service payments and the application of new and extended maturities to the deferred amount. This is achieved through a change of the terms of existing contracts. The new terms may include one or more of the following elements: extending repayment periods,

> reductions in the contracted interest rate, adding or extending grace periods for the repayment of principal, fixing the exchange rate at favorable levels for foreign currency debt, and rescheduling the payment of arrears, if any.[199] (Emphasis supplied)

Debt rescheduling is also defined as "a change in the terms of outstanding loans in which the debtor has repayment difficulties. The rescheduling can take the form of an entirely new loan or an extension of the existing loan repayment period."[200] On the other hand, debt forgiveness is "the act of writing off a proportion of debt."[201] These two means of rehabilitation share the common feature of altering the terms of existing loans. For debt rescheduling, the term usually affected is the duration of payment. For debt forgiveness, the term affected is the total amount due.

Hence, it cannot be said that the conversion of foreign currency obligations into Philippine pesos, as well as the fixing of the applicable exchange rate, is not contemplated by the FRIA and the FR Rules or that these are not covered by the phrase "other similar arrangements." Conversion, like debt rescheduling and debt forgiveness, entails the change of the terms of the loan obligation. They only differ as to the particular term that is affected, i.e., duration, total amount, and currency of payment. At the end of the day, they share the same overriding consideration: ensuring that the distressed corporation is salvaged from its dire financial position.

At any rate, the conversion of debt from one currency into another has been sanctioned by the Court in Victorio-Aquino v. Pacific Plans, Inc.,[202] where the Court allowed the payment of Philippine peso obligations in USD to counteract the volatility of exchange rates. In this regard, PNB has admitted the volatility of prevailing exchange rates in this case, viz.:

> It is a matter of fact and record that the US Dollar has unexpectedly and uncharacteristically strengthened and appreciated from USD1.00 to [PHP] 46.00 at the time PNB submitted its Notice of Claim to the Rehabilitation Court on 22 October 2015, to USD1.00 to [PHP] 49.00 on 16 November 2016, the day the Receiver established and submitted the Preliminary Registry of Claims to the Rehabilitation Court. And it cannot be denied that the current trend is that the US Dollar has behaved in an uncharacteristic manner by appreciating significantly vis-a-vis the Philippine Peso. This fact cannot be disputed by any of the parties.[203] (Emphasis supplied)

Failure to fix the amount of PHILPHOS's USD obligations by pegging it to a particular exchange rate would inevitably result in an unmitigated ballooning of its obligations to PNB. Such amounts to an undue preference in favor of the creditor and runs counter to the declared policy of the FRIA, which is to ensure the certainty and predictability of commercial affairs and to preserve and maximize the value of a debtor's assets.[204] Stated differently, fixing the value of its USD obligations sees to it that PHILPHOS continues as a going concern.

Indeed, the Court must ascertain that the obligations of the debtor—who has experienced severe economic difficulties—are fairly and equitably served,[205] especially here where the difficulties which befell PHILPHOS were through no fault of its own. Not only is this a humane and equitable relief, for it also encourages efficiency and maximizes welfare in the economy.[206] To be sure, rehabilitation demands creative solutions to grapple with the problem of how to best salvage and protect the interests of investors and creditors and to restructure and rehabilitate the faltering company.[207] Conversion is one such creative solution which ensures that PNB's interest is sufficiently protected.

Lastly, PNB claims that the conversion of its USD receivables into Philippine pesos dilutes its claim, thus:

> [I]t [has] urged the Rehabilitation Receiver to strike a balance between the needs of the parties and to preserve [PNB's] claim in the currency stipulated by the contracting parties – US Dollars.
>
> . . . .

> [T]he conversion of [PHILPHOS's] dollar loan to Philippine Peso using the rate of [the Rehabilitation] will lead to PNB's claim and those of other creditors who have also extended dollar loans being substantially diluted and reduced.[208] (Emphasis supplied)

Whether the rehabilitation receiver and the Rehabilitation Court "str[uck] a balance between the needs of the parties" and whether PNB's claims have been "substantially diluted and reduced" are questions of fact which cannot be raised in a Rule 45 petition.[209] These issues require the Court to evaluate evidence such as financial documents and data submitted by the parties.[210] It is settled that the Court is not a trier of facts, which undertakes the reexamination and reassessment of the evidence presented during trial.[211]

In any case, the rehabilitation receiver and the Rehabilitation Court both found that the conversion of the USD obligations of PHILPHOS to Philippine pesos "is the best way the debtor could be rehabilitated,"[212] although it may result in some dilution of PNB's claims.[213] The Court of Appeals shared the same conclusion as well, viz.:

> It was within the purview of the Rehabilitation Receiver to mitigate the potential risk of PHILPHOS further defaulting on its US Dollar obligations should the value of the US Dollar in relation to the Philippine Peso continue to dramatically escalate or unpredictably fluctuate, by converting the same to an amount certain using the conversion rate at the time of filing of the [petition for rehabilitation.] This is valid in spite of the resultant possible decrease in the amount that PNB and similarly situated creditors may end up receiving compared to what they were expecting based on the exemplary performance of the US Dollar.[214]

These findings of the courts below are entitled to great weight and respect, and even accorded finality, more so in corporate rehabilitation proceedings since commercial courts have been designated as such on account of their expertise and specialized knowledge on the subject matter.[215]

Reduction of DBP's claims under the OCLA and for financial advisor fees

Reduction of debt is one of the essential features of rehabilitation and is not considered prejudicial to the interest of a secured creditor.[216] The Court has even sanctioned a 50% reduction in the principal amount owed.[217] To reiterate, the FRIA authorizes debt forgiveness to restore an ailing corporation's financial well-being. The law does not state that forgiveness may only be extended to the principal amount of debt. Settled is the rule that when the law does not distinguish, neither should we.[218] Too, the Court has already upheld the condonation of interest in rehabilitation proceedings.[219] Therefore, debt forgiveness may be applied to stipulated interests. More so here, considering the dire circumstances of PHILPHOS.

The rehabilitation receiver found that Typhoon Yolanda destroyed the PAP owned by PHILPHOS, its buildings, machines, and equipment in Isabel, Leyte. He likewise found that the destruction of its facilities "severely affected" its "capacity to generate revenue and income to fully pay off its debts and other liabilities."[220] This factual finding was confirmed by the Rehabilitation Court and the Court of Appeals.[221] The Court accords great weight and respect to these factual findings on account of the lower courts' expertise and specialized knowledge on corporate rehabilitation proceedings.[222]

Indeed, the stipulations in the OCLA on the payment of interest do not bar the courts from prescribing terms which would secure the rehabilitation of PHILPHOS,[223] contrary to DBP's claim that this amounts to impairment of "duly executed loan agreements."[224]

The non-impairment clause in the Constitution applies only to the exercise of legislative power. It must yield to the exercise of the police power of the State for the common good of the general public.[225] The Court has recognized that the successful rehabilitation of a distressed corporation contributes to the common good for it benefits various stakeholders such as debtors, creditors, employees, and the economy in general.[226] Lastly, the non-impairment of contracts does not apply here for what is involved is the Rehabilitation Court's exercise of

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judicial power in rehabilitation proceedings.[227] As such, the denial of DBP's claim for PHP 933,820.61 interest is in order.

Further, DBP's claim for higher financial advisor fees and for disengagement fees under the FAM is unmeritorious.[228] According to the FAM, which PHILPHOS signed on August 13, 2014,[229] the agreement only had a term of one year:

> Validity. This Mandate Letter will lapse after ninety (90) days from date hereof if it is not duly signed and accepted by [PHILPHOS]. Upon signing by the Company (the "Effectivity Date"), this Mandate Letter shall be valid for an initial period of one (1) year from the Effectivity Date. Extension of mandate shall be subject to mutual agreement by the Company and the Financial Advisors [AUB and DBP].[230]

The Civil Code provides that when the terms of a contract are clear and leave no doubt on the intention of the contracting parties, the literal meaning of its stipulations shall control.[231] By the unequivocal terms of the FAM, the obligations between the parties had a validity of only one year or until August 14, 2015. Thus, the Court of Appeals correctly held that retainer fees due to DBP and AUB should be computed at the rate of PHP 2,500,000.00 for 12 months.[232] As such, DBP and AUB are entitled only to retainer fees of PHP 30 million[233] or PHP 15 million each. In turn, DBP is not entitled to a disengagement fee because PHILPHOS did not unilaterally withdraw from the FAM.[234] The FAM was extinguished on August 14, 2015 upon the fulfillment of a resolutory condition.[235]

The Court, however, agrees with DBP that the PHP 20,481,776.27 interest payment of PHILPHOS cannot be unilaterally "recalled" by the rehabilitation receiver and applied to its principal obligation.

Under the FRIA, rehabilitation proceedings commence upon the issuance of a commencement order.[236] It is the commencement order which vests the rehabilitation receiver with all the powers and functions provided in the FRIA.[237] The effects of a commencement order arise from the commencement date, i.e., the date of the commencement order, and retroact to the date of filing of the petition for voluntary or involuntary rehabilitation.[238] Thus, a rehabilitation receiver or a rehabilitation court can only order the reversal of any transfer, payment, or sale if it was made after the filing of the petition.[239]

A rehabilitation receiver and a rehabilitation court cannot indiscriminately modify transactions that have been concluded prior to the commencement date. Hence, mechanisms were put in place specifically to nullify pre-commencement transactions, viz.:

> Section 58. Rescission or Nullity of Certain Pre-commencement Transactions. — Any transaction occurring prior to commencement date entered into by the debtor or involving its funds or assets may be rescinded or declared null and void on the ground that the same was executed with intent to defraud a creditor or creditors or which constitute undue preference of creditors. Without limiting the generality of the foregoing, a disputable presumption of such design shall arise if the transaction:
>
> (a)
>
> provides unreasonably inadequate consideration to the debtor and is executed within ninety (90) days prior to the commencement date;
>
> (b)
>
> involves an accelerated payment of a claim to a creditor within ninety (90) days prior to the commencement date;

(c)

provides security or additional security executed within ninety (90) days prior to the commencement date;

(d)

involves creditors, where a creditor obtained, or received the benefit of, more than its pro rata share in the assets of the debtor, executed at a time when the debtor was insolvent; or

(e)

is intended to defeat, delay or hinder the ability of the creditors to collect claims where the effect of the transaction is to put assets of the debtor beyond the reach of creditors or to otherwise prejudice the interests of creditors.

Provided, however, That nothing in this section shall prevent the court from rescinding or declaring as null and void a transaction on other grounds provided by relevant legislation and jurisprudence: Provided, further, That the provisions of the Civil Code on rescission shall in any case apply to these transactions.

Section 58 squarely applies here because the PHP 20,481,776.27 interest payment is a pre-commencement transaction. To recall, the relevant events transpired as follows:

A.

Payment of PHP 20,481,776.27 interest – August 28, 2015;[240]

B.

Filing of PHILPHOS's petition for voluntary rehabilitation – September 17, 2015;[241] and

C.

Issuance of Commencement Order – September 25, 2015.[242]

To validly nullify the payment under Section 58, the rehabilitation receiver and the Rehabilitation Court should have shown that payment was made with the intent to defraud the other creditors of PHILPHOS or that payment constituted undue preference for DBP. Yet, there is nothing in the records to this effect. Neither has it been shown that there are grounds in legislation and jurisprudence which justify nullification of the payment.

Most important, the Court of Appeals only generally invoked the doctrine of pari passu to justify the recall of the interest payment[243] but it did not substantiate that the payment would unduly favor DBP over other creditors that have credits of the same nature. Even the existence of other credits of the same nature has not been established.[244] Accordingly, the PHP 20,481,776.27 interest payment in favor of DBP must be reinstated.

Constitution of a new mortgage over the properties of PHILPHOS

Both PNB and DBP assail the constitution of a "superior mortgage" over the properties of PHILPHOS pursuant to the OPTA and the Tolling Agreement, which supposedly reduces and releases their security interest in violation of Section 60 of the FRIA.[245]

It is settled that the Rehabilitation Court may release mortgaged properties as part of rehabilitation proceedings.[246] Such cannot be considered an infringement of the respective rights of PNB and DBP, for the

modification of contracts is part and parcel of the rehabilitation process.[247] Verily, secured creditors like PNB and DBP do not lose their preference of credit during rehabilitation.[248] Their preferred status however does not entitle them to retain their respective liens over the properties of PHILPHOS.[249] DBP v. Secretary of Labor[250] is in point:

> The rationale for making the application of Article 110 of the Labor Code contingent upon the institution of bankruptcy or judicial liquidation proceedings against the employer is premised upon the very nature of a preferential right of credit. A preference of credit bestows upon the preferred creditor an advantage of having his credit satisfied first ahead of other claims which may be established against the debtor. Logically, it becomes material only when the properties and assets of the debtor are insufficient to pay his debts in full; for if the debtor is amply able to pay his various creditors in full, how can the necessity exist to determine which of his creditors shall be paid first or whether they shall be paid out of the proceeds of the sale of the debtor's specific property? Indubitably, the preferential right of credit attains significance only after the properties of the debtor have been inventoried and liquidated, and the claims held by his various creditors have been established.[251] (Emphasis supplied)

Therefore, the status of PNB and DBP as secured creditors comes into play only in the eventuality that PHILPHOS becomes unviable and must be liquidated. Apart from that scenario, a lien on the properties of PHILPHOS cannot be maintained.[252]

Propriety of PPA's Claims

To begin with, PHILPHOS and the rehabilitation receiver aver that the Court should not entertain PPA's Petition because its Petition for Certiorari assailing the NRRP before the Court of Appeals was filed out of time.[253] Notably, this issue has not been raised before the Court of Appeals and has only been mentioned for the first time before us. It is elementary that issues raised for the first time before this Court and not timely raised in the proceedings before the courts below are barred by estoppel.[254] Thus, the Court deems it proper to delve into PPA's Petition.

On this score, PPA asserts that the Court of Appeals should have determined the propriety of its claim against PHILPHOS because such issue had not yet been settled in CA-G.R. CEB-SP No. 11772.[255] More, PPA has repeatedly assailed the PEZA 2010 Opinion relied upon by the rehabilitation receiver and the Rehabilitation Court to reduce its claims against PHILPHOS. It contends that PPA's interpretation of the applicable laws, it being the "administrative agency [mandated] to establish, develop, regulate and operate a rationalized national port system in support of trade and national development,"[256] must prevail over the interpretation of PEZA. PPA, however, has not furnished the Court with a copy of the Court of Appeals Decision in CA-G.R. CEB-SP No. 11772 as well as the PEZA 2010 Opinion, material portions of the record which could aid in the complete and accurate disposition of this case.[257] For this reason alone, PPA's Petition must be dismissed.

In any event, the Court of Appeals did not commit reversible error when it held that PPA availed of the wrong remedy by filing a Petition for Certiorari under Rule 65 to assert the correct amount of its claims.[258] Rule 6 of the FR Rules provides:

> 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. (Emphasis supplied)

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PPA clearly contravened the FR Rules when it filed a Petition for Certiorari assailing the Rehabilitation Court's denial of its appeal and Motion for Reconsideration.[259] Does this mean that PPA had no other recourse for the correction of the amount of its claim? We answer in the negative and quote with approval the Court of Appeals' elucidation on the matter, viz.:

> Before the implementation of the above[-]mentioned FR Rules in 2013, A.M. No. 00-8-10-SC embodied the rules applicable to creditors seeking relief from the court's disposition of their claims, viz[.]:
>
> Subsequently, the Supreme Court issued A.M. No. 00-8-10-SC (Rehabilitation Rules), which took effect on January 16, 2009, embodying the rehabilitation rules applicable to petitions for rehabilitation of corporations, partnerships and associations pursuant to P.D. No. 902-A, as amended. Section 1, Rule 8 thereof unequivocally states:
>
> SEC. 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.

Noticeably, the provision on the elevation of the Rehabilitation Court's order to the Court of Appeals has been omitted in the corresponding Rule 6, Section 1 of the FR Rules. Despite the omission, does this [c]ourt, then still have jurisdiction to address issues pertaining to the creditors' claims under FRIA and the FR Rules? We find legal basis supporting the affirmative.

First and foremost, the omission of said provision is primarily due to fact that the later rules removed the remedy of Petition for Review under Rule 43 in favor of a Petition for [Certiorari] under Rule 65. Hence, in [L]exber the Supreme Court ruled thus:

> 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, [w]e submit that under FRIA and the FR Rules, although creditors aggrieved by any order regarding claims issued by the rehabilitation court prior to the approval of the rehabilitation plan may not file a separate petition for [certiorari] under Rule 65, they may still raise the same before the appellate court as an assigned error in a petition for [certiorari] under Rule 65 assailing the rehabilitation court's order approving or disapproving the rehabilitation plan.[260] (Emphasis supplied, citations omitted)

The situation here is akin to the denial of an interlocutory order where the proper recourse is not to file a petition for certiorari but for the aggrieved party to proceed to trial.[261] Eventually, the denial of the interlocutory order may be raised as an error on appeal.[262] The fact that another remedy—to proceed to trial—is ready and available bars remedial refuge in certiorari, unless the disposition is tainted with grave abuse of discretion.[263] Relevantly, PPA has not demonstrated that the Rehabilitation Court acted with grave abuse of discretion which necessitated the filing of a petition for certiorari. The rule in rehabilitation cases, therefore, is that when a party's motion for reconsideration of any order issued by a rehabilitation court prior to the approval of the rehabilitation plan is denied, the remedy is to await the approval or disapproval of the rehabilitation plan and raise the denial of the

motion for reconsideration as an error in the petition for certiorari assailing the approval or disapproval of said rehabilitation plan.

What happens then when the aggrieved party erroneously files a petition for certiorari in the interim and the petition is eventually denied and even attains finality, as here? To recall, the Court of Appeals, upon verification through its Case Management Information System on February 23, 2023, found that: (a) PPA's Motion for Reconsideration in CA-G.R. CEB-SP No. 11772 was denied on October 28, 2021; and, (b) an Entry of Judgment was issued on June 3, 2022.[264]

The Court holds that it is only the denial of the Petition for Certiorari assailing the Motion for Reconsideration which attains finality; the aggrieved party is not proscribed from raising the denial of its Motion for Reconsideration as an error in a timely Petition for Certiorari assailing the approval or disapproval of the rehabilitation plan.[265] Thus, in CA-G.R. CEB-SP No. 11772, what attained finality was only the Court of Appeals' pronouncement that PPA availed of the wrong remedy. Indeed, no substantive findings were made with respect to its claims against PHILPHOS. Therefore, PPA's continued assertion that the rehabilitation receiver erroneously reduced its claims is not a "re-litigat[ion of] the issue" as averred by PHILPHOS and the rehabilitation receiver.[266]

Succinctly put, PPA's timely Petition for Certiorari in CA-G.R. SP No. 11983 is the correct remedy. This notwithstanding, the Court cannot grant PPA the relief that it seeks. As observed by the Court of Appeals, PPA "no longer raised as an issue the amount of its claim nor prayed for the correction thereof"[267] when it filed the Petition for Certiorari in CA-G.R. SP No. 11982.

True, PPA asserted the supposed correct amount of its claim in its Manifestation[268] dated March 15, 2018 and Manifestation with Motion for Reconsideration[269] dated May 3, 2018. Despite the denial of its submissions, however, nothing in the record shows that PPA maintained the same argumentation in its Petition for Certiorari before the Court of Appeals. More important, PPA has not adduced any evidence before us which shows that the Court of Appeals erred in finding that it failed to raise the amount of its claim as an issue. Although there are references in its Petition for Review on Certiorari to a "Petition for Certiorari with the Court of Appeals" marked as Annex V,[270] it does, not appear in the records. Whether this omission is by inadvertence[271] or due to willful suppression of evidence,[272] the Court is constrained to rely on the findings of the Court of Appeals that PPA only assailed the approval of the NRRP[273] and "no longer disputed the amount of its claim, nor prayed for the correction thereof."[274] Verily, issues not raised on appeal, i.e., the amount of PPA's claims in this case, are already final and cannot be disturbed.[275] As such, PPA's Petition for Review on Certiorari must be dismissed.

ACCORDINGLY, the Petitions in G.R. Nos. 267577 and 267831 are DENIED. The Petition in G.R. No. 267604 is PARTIALLY GRANTED. The Decision dated July 29, 2021 and the Resolution dated March 30, 2023 of the Court of Appeals in CA-G.R. SP Nos. 11910, 11974, and 11982 are AFFIRMED WITH MODIFICATION. The PHP 20,481,776.27 interest payment by respondent Philippine Phosphate Fertilizer Corporation to petitioner Development Bank of the Philippines is REINSTATED. The case is REMANDED to Branch 8, Regional Trial Court, Tacloban City for further proceedings. Branch 8, Regional Trial Court, Tacloban City is DIRECTED to resolve this case with utmost dispatch.

SO ORDERED.

Leonen, SAJ. (Chairperson), Lopez, Kho, Jr., and Villanueva, JJ., concur.

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[1] Rollo (G.R. No. 267577), pp. 141-183; rollo (G.R. No. 267604), pp. 15-47; rollo (G.R. No. 267831), pp.

12-30.

[2] Rollo (G.R. No. 267577), pp. 13-114. Penned by Associate Justice Bautista G. Corpin, Jr. and concurred in by Associate Justices Gabriel T. Ingles and Dorothy P. Montejo-Gonzaga, Eighteenth Division, Court of Appeals, Cebu City.

[3] Rollo (G.R. No. 267604), pp. 481-486. Penned by Judge Agerico A. Avila.

[4] Rollo (G.R. No. 267577), pp. 116-138. Penned by Associate Justice Bautista G. Corpin, Jr., and concurred in by Associate Justices Mercedita G. Dadole-Ygnacio and Eleuterio L. Bathan, Special Former Eighteenth Division, Court of Appeals, Cebu City.

[5] Id. at 18.

[6] Id.

[7] Id. at 41.

[8] Rollo (G.R. No. 267604), pp. 254-255.

[9] Id. at 263-309; rollo (G.R. No. 267577), p. 41.

[10] Rollo (G.R. No. 267577), p. 42.

[11] Id.

[12] Id.

[13] Id.

[14] Id. at 364-365.

[15] Id. at 364.

[16] Id.

[17] Id. at 366.

[18] Id. at 147, 364.

[19] Rollo (G.R. No. 267831), pp. 188-189.

[20] Id.

[21] Id. at 18-19.

[22] Rollo (G.R. No. 267694), p. 323.

[23] Rollo (G.R. No. 267577), pp. 42-43.

[24] Id. at 43.

[25] Rollo (G.R. No. 267604), pp. 340-341.

[26] Rollo (G.R. No. 267577), p. 43.

[27] Rollo (G.R. No. 267604), pp. 345-351.

[28] Rollo (G.R. No. 267577), p. 43.

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[29] Id. at 19.

[30] Rollo (G.R. No. 267604), pp. 184-187.

[31] Rollo (G.R. No. 267577), p. 44.

[32] Id. at 19.

[33] Id. at 364-370; rollo (G.R. No. 267604), pp. 388-395; rollo (G.R. No. 267831), pp. 188-189.

[34] Rollo (G.R. No. 267577), p. 369.

[35] Rollo (G.R. No. 267604), p. 394.

[36] Id., PHP 41,133,086.00/2 = PHP 20,566,543.00.

[37] Rollo (G.R. No. 267831), p. 188.

[38] Rollo (G.R. No. 267577), p. 19.

[39] Id. at 20.

[40] Id. at 45.

[41] Id. at 49.

[42] Id. at 55.

[43] Rollo (G.R. No. 267604), pp. 424-435.

[44] Id. at 444-456.

[45] Id. at 455.

[46] Id. at 458-468.

[47] Rollo (G.R. No. 267577), pp. 49, 563-573.

[48] Id. at 49.

[49] Id. at 50.

[50] Id. at 55-56.

[51] Id. at 667-672.

[52] Id. at 51.

[53] Id. at 151

[54] Id.

[55] Rollo (G.R. No. 267604), pp. 481-486; rollo (G.R. No. 267831), pp. 218-219.

[56] Rollo (G.R. No. 267604), p. 483.

[57] Id. at 485.

[58] Id.

[59] Rollo (G.R. No. 267577), p. 50.

[60] Id.

[61] Rollo (G.R. No. 267831), p. 219.

[62] Id. at 218.

[63] Id. at 219.

[64] Id.

[65] Rollo (G.R. No. 267577), pp. 686-687.

[66] Id. at 684-685.

[67] Id. at 687.

[68] Rollo (G.R. No. 267604), pp. 476-480.

[69] Rollo (G.R. No. 267577), pp. 743-758.

[70] Id. at 757.

[71] Id. at 800-805.

[72] Id.

[73] Id. at 815-829.

[74] Id. at 20-21.

[75] Id. at 21.

[76] Id.

[77] Id. at 21-22.

[78] Id. at 98-99.

[79] Rollo (G.R. No. 267831), pp. 332-347.

[80] Id. at 347.

[81] Id. at 334.

[82] Id. at 334-335.

[83] Id. at 340-342, citing Pacific Wide Realty and Development Corporation v. Puerto Azul Land, Inc., 620 Phil. 520 (2009) [Per J. Nachura, Third Division].

[84] Id. at 342, citing PNB and Equitable PCI Bank v. Court of Appeals, 596 Phil. 586 (2009) [Per J. Velasco, Jr., Second Division].

[85] Id.

[86] Id. at 344-347.

[87] Id. at 345.

[88] Id. at 347.

[89] Id. at 376-379.

[90] Id. at 379.

[91] Rollo (G.R. No. 267577), pp. 13-114. Penned by Associate Justice Bautista G. Corpin, Jr., with the concurrence of Associate Justices Gabriel T. Ingles and Dorothy P. Montejo-Gonzaga, Eighteenth Division, Court of Appeals, Cebu City.

[92] Id. at 112-113.

[93] Id. at 75-76.

[94] Id.

[95] Id. at 76-77.

[96] Id. at 78-81.

[97] Id. at 79; PHP 2,500,000.00 monthly retainer fee*12 months = PHP 30,000,000.00.

[98] Id. at 79-80.

[99] Id. at 84-86.

[100] Id. at 83-84.

[101] Id. at 84-85.

[102] Id.

[103] Id. at 78-91.

[104] Id. at 95, citing U.S. Code Section 364(d). Obtaining Credit.

[105] Id. at 105.

[106] Id. at 108.

[107] Id. at 106-107.

[108] Id.

[109] Id. at 107, citing Bank of the Philippine Islands v. Sarabia Manor Hotel Corp., 715 Phil. 420, 436 (2013) [Per J. Perlas-Bernabe, Second Division].

[110] Id. at 112.

[111] Id. at 112-113.

[112] Id.

[113] Id. at 113, citing Asiatrust Development Bank v. First Aikka Development, Inc., 665 Phil. 313, 331 (2011) [Per J. Nachura, Second Division].

[114] Id. at 115.

[115] Id. at 110-111.

[116] Id. at 116-138. Penned by Associate Justice Bautista G. Corpin, Jr., with the concurrence of Associate

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Justices Mercedita G. Dadole-Ygnacio and Eleuterio L. Bathan, Special Former Eighteenth Division, Court of Appeals, Cebu City.

[117] Rollo (G.R. No. 267831), pp. 218-219, 225-227.

[118] Rollo (G.R. No. 267577), pp. 116-138.

[119] Id.

[120] Id. at 125.

[121] Id. at 125-126.

[122] Id. at 141-183. By Atty. Stephanie A. Cabriles-Cañedo.

[123] Id. at 162.

[124] Id. at 171.

[125] Id. at 163.

[126] Id. at 165.

[127] Id.

[128] Id. at 166, citing Viva Shipping Lines, Inc. v. Keppel Philippines Mining, Inc., 781 Phil. 95, 130 (2016) [Per J. Leonen, Second Division].

[129] Rollo (G.R. No. 267577), p. 166, citing Philippine Manpower Services, Inc. v. NLRC, 296 Phil. 596 (1993) [Per J. Romero, Third Division].

[130] Id. at 167-169.

[131] Id. at 168.

[132] Id. at 175-176.

[133] Id. at 178-179.

[134] Rollo (G.R. No. 267604), pp. 15-47. By Atty. Soraya F. Adiong.

[135] Id. at 28-35.

[136] Id. at 31.

[137] Id. at 32.

[138] Id. at 37.

[139] Id., citing Leca Realty Corporation v. Manuel Corporation, 560 Phil. 369 (2007) [Per J. Sandoval-Gutierrez, First Division].

[140] Rollo (G.R. No. 267604), pp. 37-38.

[141] Id. at 39.

[142] Id.

[143] Id. at 32-35.

[144] Id. at 33-35.

[145] Id. at 43.

[146] Id. at 44.

[147] Rollo (G.R. No. 267831), pp. 12-28. By Atty. Rogelio V. Quevedo.

[148] Id. at 24.

[149] Id.

[150] Id. at 25.

[151] Id. at 27.

[152] Id.

[153] Id. at 28.

[154] Id. at 385.

[155] Id. at 390.

[156] Id. at 392-435. By Attys. Mae S. Divinagracia, Jasfer Alain P. Tagacay, and Aifa Regine G. Pangilinan.

[157] Id.

[158] Id. at 396.

[159] Id. at 397.

[160] Id. at 402-403.

[161] Id. at 399-400.

[162] Id. at 400.

[163] Id.

[164] Id. at 403.

[165] Id.

[166] Id. at 404.

[167] Id. at 405.

[168] Id. at 406.

[169] Id. at 407.

[170] Id. at 408.

[171] Id. at 408-413.

[172] Id. at 413-416.

[173] Id. at 424.

[174] Id. at 427.

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[175] Id. at 428.

[176] Id. at 430-431.

[177] Rollo (G.R. No. 267577), p. 1076.

[178] Id. at 521-534. By Atty. Juli Ann Rosette M. Sibi and Atty. Carlo T. Capacite.

[179] Id. at 521.

[180] Id. at 522.

[181] Id.

[182] Id. at 526.

[183] Rollo (G.R. No. 267831), at 404, 405, 407, 420-423.

[184] Rollo (G.R. No. 267577), at 112-113.

[185] Id. at 98-99.

[186] Bergonio v. DM Consunji, Inc., G.R. No. 254919, March 22, 2023 [Notice, First Division], citing DPWH v. CMC/Monark/Pacific/Hi-Tri Joint Venture, 818 Phil. 27, 72 (2017) [Per J. Leonen, Third Division].

[187] Land Bank of the Philippines v. Polillo Paradise Island Corporation, 861 Phil. 749, 756 (2019) [Per J. Reyes, J., Jr., First Division], citing Republic Act No. 10142, sec. 4(gg).

[188] Land Bank of the Philippines v. Fastech Synergy Philippines, Inc., 816 Phil. 422, 442 (2017) [Per J. Leonen, Second Division].

[189] City Government of Taguig v. Shoppers Paradise Realty Development Corp., 908 Phil. 320, 337 (2021) [Per J. Lopez, J., Third Division].

[190] 842 Phil. 819 (2018) [Per J. Reyes, A., Second Division].

[191] Id. at 851.

[192] Republic Act No. 10142, sec. 4(ii); FR Rules, sec. 61(F).

[193] Rollo (G.R. No. 267577), pp. 164-165.

[194] Republic Act No. 10142, sec. 4(ii); FR Rules, sec. 61(F).

[195] Department of Public Works and Highways v. Philippine Institute of Civil Engineers, Inc., 938 Phil. 272, 303 (2023) [Per SAJ Leonen, Second Division], citing NAPOCOR v. Angas, 284-A Phil. 39 (1992) [Per J. Paras, Second Division].

[196] NAPOCOR v. Angas, 284-A Phil. 39, 46 (1992) [Per J. Paras, Second Division].

[197] Id.

[198] INTERNATIONAL MONETARY FUND, EXTERNAL DEBT SOURCES, p. 72 (2003 Ed.).

[199] Id.

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[201] Oxford University Press, Oxford Dictionary of Finance and Banking, p. 544 (2017 Ed.).

[202] 749 Phil. 790 (2014) [Per J. Peralta, Third Division].

[203] Rollo (G.R. No. 267577), p. 165.

[204] Viva Shipping Lines, Inc. v. Keppel Philippines Mining, Inc., 781 Phil. 95, 113 (2016) [Per J. Leonen, Second Division], citing FRIA, sec. 2.

[205] Id. at 115.

[206] Id.

[207] City Government of Taguig v. Shoppers Paradise Realty Development Corp., 908 Phil. 320, 337 (2021) [Per J. Lopez, J., Third Division].

[208] Rollo (G.R. No. 267577), pp. 164-165.

[209] Banco de Oro Unibank, Inc. v. International Copra Export Corporation, et al., 901 Phil. 88 (2021) [Per J. Leonen, Third Division].

[210] Bank of the Philippine Islands v. Sarabia Manor Hotel Corporation, 715 Phil. 420 (2013) [Per J. Perlas-Bernabe, Second Division].

[211] Cacho v. Manahan, 823 Phil. 1011, 1021 (2018) [Per J. Martires, Third Division], citing Maglana Rice and Corn Mill, Inc. v. Tan, 673 Phil. 532, 539 (2011) [Per J. Bersamin, First Division].

[212] Rollo (G.R. No. 267577), pp. 81-82.

[213] Id. at 84-85.

[214] Id.

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[216] Victorio-Aquino v. Pacific Plans, Inc., 749 Phil. 770, 820 (2014) [Per J. Peralta, Third Division], citing Pacific Wide Realty and Development Corporation v. Puerto Azul Land, Inc., 620 Phil. 520 (2009) [Per J. Nachura, Third Division].

[217] Pacific Wide Realty and Development Corporation v. Puerto Azul Land, Inc., 620 Phil. 520 (2009) [Per J. Nachura, Third Division].

[218] Clark Development Corporation v. Association of CDC Supervisory Personnel Union, 921 Phil. 1104, 1111 (2022) [Per J. Lopez, M., Third Division], citing Kida v. Senate of the Philippines, 683 Phil. 198, 219 (2012) [Per J. Brion, En Banc].

[219] Pacific Wide Realty and Development Corporation v. Puerto Azul Land, Inc., 620 Phil. 520 (2009) [Per J. Nachura, Third Division].

[220] Rollo (G.R. No. 267604), p. 449.

[221] Id. at 123, 484.

[222] Banco de Oro Unibank, Inc. v. International Copra Export Corporation, et al., 901 Phil. 88 (2021) [Per J.

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[223] Banco de Oro Unibank, Inc. v. International Copra Export Corporation, et al., 901 Phil. 88 (2021) [Per J. Leonen, Third Division], citing Pryce Corporation v. China Banking Corporation, 727 Phil. 1 (2014) [Per J. Leonen, En Banc].

[224] Rollo (G.R. No. 267604), p. 37.

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[227] Banco de Oro Unibank, Inc. v. International Copra Export Corporation, et al., 901 Phil. 88 (2021) [Per J. Leonen, Third Division], citing Victorio-Aquino v. Pacific Plans, Inc., 749 Phil. 790, 821 (2014) [Per J. Peralta, Third Division].

[228] Rollo (G.R. No. 267604), p. 34.

[229] Id. at 345.

[230] Id. (G.R. No. 267604), p. 349.

[231] San Diego v. Evangelista, 515 Phil. 626, 633 (2006) [Per J. Carpio Morales, Third Division], citing Article 1370 of the Civil Code.

[232] Rollo (G.R. No. 267604), p. 126.

[233] PHP 2,500,000.00 monthly retainer fee*12 months = PHP 30,000,000.

[234] Rollo (G.R. No. 267604), pp. 349-350.

[235] See CIVIL CODE, art. 1231.

[236] FRIA, sec. 16.

[237] FRIA, sec. 17.

[238] FRIA, sec. 4(d).

[239] City Government of Taguig v. Shoppers Paradise Realty Development Corp., 908 Phil. 320, 332 (2021) [Per J. Lopez, J., Third Division], citing Allied Banking Corporation v. Equitable PCI Bank, Inc., 828 Phil. 64, 84 (2018) [Per J. Martires, Third Division].

[240] Rollo (G.R. No. 267604), p. 125.

[241] Rollo (G.R. No. 267577), p. 19.

[242] Rollo (G.R. No. 267604), pp. 184-187.

[243] Id at 124-125.

[244] Bayan Delinquent Loan Recovery I (SPV-AMC), Inc. v. International Farms Corporation, G.R. No. 197313, September 6, 2017 [Notice, Second Division].

[245] Rollo (G.R. No. 267577), pp. 175-179; rollo (G.R. No. 267604), pp. 43-44.

[246] China Banking Corporation v. St. Francis Square Realty Corporation, et al., 926 Phil. 614, 649 (2022) [Per J. Lazaro-Javier, Second Division].

[247] Id.

[248] Id.; citing MBTC v. ASB Holdings, Inc., 545 Phil. 604, 615 (2007) [Per J. Sandoval-Gutierrez, First Division].

[249] China Banking Corporation v. St. Francis Square Realty Corporation, et al., 926 Phil. 614 (2022) [Per J. Lazaro-Javier, Second Division], citing DBP v. Secretary of Labor, 259 Phil. 254 (1989) [Per J. Cortes, Third Division].

[250] 259 Phil. 254 (1989) [Per J. Cortes, Third Division].

[251] Id. at 259.

[252] China Banking Corp. v. St. Francis Square Realty Corp., 926 Phil. 614 (2022) [Per J. Lazaro-Javier, Second Division].

[253] Rollo (G.R. No. 267831), pp. 424, 526.

[254] Government Service Insurance System v. Velasco, G.R. No. 196546, April 4, 2018 [Notice, Special First Division].

[255] Rollo (G.R. No. 267831), pp. 12-28. By Atty. Rogelio V. Quevedo.

[256] Id. at 25.

[257] Bosi v. People, G.R. No. 254144, April 26, 2021 [Notice, Second Division]; Reyes v. Spouses Jaramillo, G.R. No. 248834, June 15, 2020 [Notice, Second Division].

[258] Rollo (G.R. No. 267577), p. 125.

[259] Rollo (G.R. No. 267831), pp. 218-219, 225-227.

[260] Rollo (G.R. No. 267577), pp. 64-66.

[261] Galzote v. Briones, 673 Phil. 165, 172 (2011) [Per J. Brion, Second Division].

[262] Enrile v. Manalastas, 146 Phil. 43, 59 (2014) [Per J. Bersamin, First Division].

[263] Radaza v. Sandiganbayan, 909 Phil. 383 (2021) [Per J. Hernando, Second Division]; Movido v. Global Estate Resorts, Inc., G.R. No. 254644, April 28, 2021 [Notice, Second Division].

[264] Rollo (G.R. No. 267577), p. 124.

[265] Movido v. Global Estate Resorts, Inc., G.R. No. 254644, April 28, 2021 [Notice, Second Division].

[266] Rollo (G.R. No. 267831), pp. 424, 526.

[267] Rollo (G.R. No. 267577), p. 125.

[268] Rollo (G.R. No. 267831), pp. 327-328.

[269] Id. at 370-371.

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[270] Id. at 20.

[271] Coca Cola Bottlers Phils., Inc. v. Cabalo, 516 Phil. 327, 336 (2006) [Per J. Chico-Nazario, First Division].

[272] REV. RULES ON EVIDENCE, Rule 131, sec. 3(e).

[273] See also rollo (G.R. No. 267831), pp. 307-317, 321-323.

[274] Id. at 148.

[275] Department of Public Works and Highways v. CMC/MONARK/PACIFIC/HI-TRI Joint Venture, 818 Phil. 27, 72 (2017) [Per J. Leonen, Third Division].

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