Republic of the Philippines
Supreme Court
Manila

**THIRD DIVISION**

**BANGKO SENTRAL NG PILIPINAS,**
Petitioner,

- *versus* -

**FELICIANO P. LEGASPI,**
Respondent.

**G.R. No. 205966**

**Present:**

VELASCO, JR., *J.*, *Chairperson*,
PERALTA,
PEREZ,
REYES, and
JARDELEZA, *JJ.*

**Promulgated:**

March 2, 2016

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## D E C I S I O N

**PERALTA, *J.*:**

Before this Court is the Petition for Review on *Certiorari*[1] under Rule 45, dated March 13, 2013, of petitioner Bangko Sentral ng Pilipinas (*BSP*), seeking to reverse and set aside the Decision[2] dated August 15, 2012 and Resolution[3] dated February 18, 2013, both of the Court of Appeals (*CA*) that reversed the Order[4] dated January 20, 2009 of the Regional Trial Court (*RTC*), Branch 20, Malolos City, Bulacan regarding a complaint for annulment of title, revocation of certificate and damages (with application for TRO/writ of preliminary injunction) filed by petitioner BSP against Secretary Jose L. Atienza, Jr., Luningning G. De Leon, Engr. Ramon C. Angelo, Jr., Ex-Mayor Matilde A. Legaspi and respondent Feliciano P. Legaspi, the incumbent Mayor of Norzagaray, Bulacan at the time of the filing of the said complaint.

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1 *Rollo*, pp. 3-517.

2 Penned by Associate Justice Vicente S.E. Veloso, with Associate Justices Jane Aurora C. Lantion and Eduardo B. Peralta, Jr.., concurring; *rollo*, pp. 27-42.

3 *Rollo*, p. 43.

4 Penned by Judge Oscar C. Herrera, Jr., *id.* at 337-343.

The facts follow.

Petitioner BSP filed a Complaint for annulment of title, revocation of certificate and damages (with application for TRO/writ of preliminary injunction) against Secretary Jose L. Atienza, Jr., Luningning G. De Leon, Engr. Ramon C. Angelo, Jr., Ex-Mayor Matilde A. Legaspi and respondent Feliciano P. Legaspi before the RTC of Malolos, Bulacan. Respondent, together with his fellow defendants, filed their Answer to the complaint. Thereafter, the RTC, on May 13, 2008, issued an Order mandating the issuance of preliminary injunction, enjoining defendants Engr. Ramon C. Angelo, Jr. and petitioner Feliciano P. Legaspi, and persons acting for and in their behalf, from pursuing the construction, development and/or operation of a dumpsite or landfill in Barangay San Mateo, Norzagaray, Bulacan, in an area allegedly covered by OCT No. P858/Free Patent No. 257917, the property subject of the complaint.

Herein respondent Legaspi filed a Motion to Dismiss dated August 15, 2008 alleging that the RTC did not acquire jurisdiction over the person of the petitioner BSP because the suit is unauthorized by petitioner BSP itself and that the counsel representing petitioner BSP is not authorized and thus cannot bind the same petitioner. Respondent Legaspi also alleged that the RTC did not acquire jurisdiction over the subject matter of the action because the complaint is *prima facie* void and that an illegal representation produces no legal effect. In addition, respondent Legaspi asserted that the complaint was initiated without the authority of the Monetary Board and that the complaint was not prepared and signed by the Office of the Solicitor General (*OSG*), the statutory counsel of government agencies.

In opposing the Motion to Dismiss, petitioner BSP argued that the complaint was filed pursuant to Monetary Board Resolution No. 8865, dated June 17, 2004, and that the complaint was verified by Geraldine Alag, Director of Asset Management of the BSP, who stated that she was authorized by Monetary Board Resolutions No. 805 dated June 17, 2008 and 1005 dated July 29, 2005. Petitioner BSP further claimed that it is not precluded from being represented by a private counsel of its own choice.

After respondent Legaspi filed a Reply, to which petitioner BSP filed a Rejoinder, and against which, respondent Legaspi filed a Rejoinder, the RTC rendered its Order denying respondent Legaspi's motion to dismiss.

In denying the Motion to Dismiss, the RTC ruled that it had acquired jurisdiction over the person of the petitioner when the latter filed with the

court the Complaint dated April 10, 2008. Furthermore, the RTC adjudged that in suits involving the BSP, the Monetary Board may authorize the Governor to represent it personally or through counsel, even a private counsel, and the authority to represent the BSP may be delegated to any other officer thereof. It took into account the fact that the BSP's complaint dated April 10, 2008 was verified by Geraldine C. Alag, an officer of the BSP being the Director of its Asset Management Department and the Secretary's Certificate issued by Silvina Q. Mamaril-Roxas, Officer-in-Charge, Office of the Secretary of BSP's Monetary Board attesting to Monetary Board Resolution No. 900, adopted and passed on July 18, 2008 containing the Board's approval of the recommendation of the Asset Management Department (*AMD*) to engage the services of Ongkiko Kalaw Manhit and Acorda Law Offices (*OKMA Law*).

Respondent Legaspi filed a motion for reconsideration, adding as its argument that the RTC failed to acquire jurisdiction over the action because the complaint, a real action, failed to allege the assessed value of the subject property. As an opposition to respondent Legaspi's additional contention, petitioner BSP claimed that since the subject property contains an area of 4,838,736 square meters, it is unthinkable that said property would have an assessed value of less than ₱20,000.00 which is within the jurisdiction of the Municipal Trial Courts. Petitioner BSP further stated that a tax declaration showing the assessed value of ₱28,538,900.00 and latest zonal value of ₱145,162,080.00 was attached to the complaint.

The RTC, in its Order dated April 3, 2009, denied respondent Legaspi's motion for reconsideration. Hence, respondent Legaspi elevated the case to the CA *via* a petition for *certiorari* under Rule 65 of the Rules of Court. The CA, in its assailed Decision, dated August 15, 2012, granted respondent Legaspi's petition. The dispositive portion of the said decision reads as follows:

> WHEREFORE, the petition is GRANTED. The assailed January 20, 2009 and April 03, 2009 Orders are SET ASIDE and the complaint of BSP is hereby DISMISSED.
>
> SO ORDERED.[5]

Petitioner BSP moved for reconsideration, but the CA, in its Resolution dated February 18, 2013, denied the same motion. Hence, the present petition with the following grounds relied upon:

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5 *Rollo*, p. 41. (Emphases omitted)

I.

The Regional Trial Court of Malolos City has exclusive original jurisdiction over the subject matter of Civil Case No. 209-M-2008.

II.

BSP lawfully engaged the services of [the] undersigned counsel.[6]

The principle that it is well settled that Rule 45 of the Rules of Court which provides that only questions of law shall be raised in an appeal by *certiorari* under Rule 45 of the Rules of Court before this Court admits of certain exceptions,[7] namely: (1) when the findings are grounded entirely on speculations, surmises, or conjectures; (2) when the inference made is manifestly mistaken, absurd, or impossible; (3) when there is a grave abuse of discretion; (4) when the judgment is based on misappreciation of facts; (5) when the findings of fact are conflicting; (6) when in making its findings, the same are contrary to the admissions of both appellant and appellee; (7) when the findings are contrary to those of the trial court; (8) when the findings are conclusions without citation of specific evidence on which they are based; (9) when the facts set forth in the petition as well as in the petitioner's main and reply briefs are not disputed by the respondent; and (10) when the findings of fact are premised on the supposed absence of evidence and contradicted by the evidence on record.[8] Under the present case, the RTC and the CA have different findings of fact, hence, there is a need for this Court to address the issues raised by petitioner BSP.

The petition is meritorious.

Under Batas Pambansa Bilang 129, as amended by Republic Act No. 7691, the RTC has exclusive original jurisdiction over civil actions which involve title to possession of real property, or any interest therein, where the assessed value of the property involved exceeds Twenty Thousand Pesos (₱20,000.00).[9] Petitioner BSP insists that the property involved has an assessed value of more than ₱20,000.00, as shown in a Tax Declaration attached to the complaint. Incidentally, the complaint,[10] on its face, is devoid of any amount that would confer jurisdiction over the RTC.

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6 *Id.* at 10.

7 *Atty. Uy v. Villanueva,* 553 Phil. 69 (2007).

8 *Bernaldo v. The Ombudsman,* 584 Phil. 57, 67 (2008).

9 Sec. 19. *Jurisdiction in Civil Cases.* - Regional Trial Courts shall exercise exclusive original jurisdiction:

x x x x

(b) In all civil actions which involve title to or possession of real property, or any interest therein, where the assessed value of the property involved exceeds Twenty Thousand Pesos (₱20,000.00) x x x.

10 *Rollo*, pp. 95-115.

The non-inclusion on the face of the complaint of the amount of the property, however, is not fatal because attached in the complaint is a tax declaration (Annex "N" in the complaint) of the property in question showing that it has an assessed value of P215,320.00. It must be emphasized that annexes to a complaint are deemed part of, and should be considered together with the complaint.[11] In *Fluor Daniel, Inc.-Philippines v. E.B. Villarosa and Partners Co., Ltd.*,[12] this Court ruled that in determining the sufficiency of a cause of action, the courts should also consider the attachments to the complaint, thus:

> We have ruled that a complaint should not be dismissed for insufficiency of cause of action if it appears clearly from the complaint and its attachments that the plaintiff is entitled to relief. The converse is also true. The complaint may be dismissed for lack of cause of action if it is obvious from the complaint and its annexes that the plaintiff is not entitled to any relief.[13]

Hence, being an annex to BSP's complaint, the tax declaration showing the assessed value of the property is deemed a part of the complaint and should be considered together with it in determining that the RTC has exclusive original jurisdiction.

In connection therewith, the RTC, therefore, committed no error in taking judicial notice of the assessed value of the subject property. A court will take judicial notice of its own acts and records in the same case, of facts established in prior proceedings in the same case, of the authenticity of its own records of another case between the same parties, of the files of related cases in the same court, and of public records on file in the same court.[14] Since a copy of the tax declaration, which is a public record, was attached to the complaint, the same document is already considered as on file with the court, thus, the court can now take judicial notice of such.

In holding that the courts cannot take judicial notice of the assessed or market value of the land, the CA cited this Court's ruling in *Quinagoran v. Court of Appeals*.[15] This Court's ruling though in *Quinagoran* is inapplicable in this case because in the former, the complaint does not allege that the assessed value of the land in question is more than ₱20,000.00 and that there was no tax declaration nor any other document showing the assessed value of the property attached to the complaint. Thus, in *Quinagoran*, the assessed value of the land was not on record before the trial court, unlike in the present case.

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11 *Jornales, et al. v. Central Azucarera de Bais, et al.*, 118 Phil. 909, 911 (1963).
12 555 Phil. 295 (2007).
13 *Fluor Daniel, Inc.-Philippines v. E.B. Villarosa and Partners Co., Ltd., supra*, at 301.
14 *Republic v. Court of Appeals*, 343 Phil. 428, 437 (1997).
15 557 Phil. 650, 661 (2007).

Moreover, considering that the area of the subject land is four million eight hundred thirty-eight thousand seven hundred and thirty-six (4,838,736) square meters, the RTC acted properly when it took judicial notice of the total area of the property involved and the prevailing assessed value of the titled property, and it would also be at the height of absurdity if the assessed value of the property with such an area is less than ₱20,000.00.

Anent the issue of the legal representation of petitioner BSP, the CA ruled that the BSP, being a government-owned and controlled corporation, should have been represented by the Office of the Solicitor General (*OSG*) or the Office of the Government Corporate Counsel (*OGCC*) and not a private law firm or private counsel, as in this case.

Under Republic Act No. 7653, or the *New Central Bank Act*, the BSP Governor is authorized to represent the Bangko Sentral, either personally or through counsel, including private counsel, as may be authorized by the Monetary Board, in any legal proceedings, action or specialized legal studies.[16] Under the same law, the BSP Governor may also delegate his power to represent the BSP to other officers upon his own responsibility.

As aptly found by the RTC, petitioner BSP was able to justify its being represented by a private counsel, thus:

> BSP's complaint dated April 10, 2008 was verified by Geraldine C. Alag, an officer of the BSP being the Director of its Asset Management Department. It has been explained that this was authorized by the Monetary Board, as per Resolution No. 865 dated June 17, 2004, which reads:

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[16] R.A. No. 7653, Sec. 18. *Representation of the Monetary Board and the Bangko Sentral.* The Governor of the Bangko Sentral shall be the principal representative of the Monetary Board and of the Bangko Sentral and, in such capacity and in accordance with the instruction of the Monetary Board, shall be empowered to:

(a) represent the Monetary Board and the Bangko Sentral in all dealings with other offices, agencies and instrumentalities of the Government and all other persons or entities, public or private, whether domestic, foreign or international;

(b) sign contracts entered into by the Bangko Sentral, notes and securities issued by the Bangko Sentral, all reports, balance sheets, profit and loss statements, correspondence and other documents of the Bangko Sentral.

The signature of the Governor may be in facsimile whenever appropriate;

**(c) represent the Bangko Sentral, either personally or through counsel, as may be authorized by the Monetary Board, in any legal proceedings, action or specialized legal studies; and**

**(d) delegate his power to represent the Bangko Sentral, as provided in subsection (a), (b) and (c) of this section, to other officers upon his own responsibility;** Provided, however, That in order to preserve the integrity and the prestige of his office, the Governor or the Bangko Sentral may choose not to participate in preliminary discussions with any multilateral banking or financial institution or any negotiations, he may instead be represented by a permanent negotiator. (Emphasis ours)

> To approve delegation of authority to the Director, Asset Management Department (AMD), or in his absence, the Officer-in-Charge, AMD to sign all documents, contracts, agreements and affidavits relating to the consolidation of ownership, lease, cancellation of decision, redemption and sale of acquired assets, and all documents to be filed in court upon clearance by the Office of the General Counsel and Legal Services x x x.

Also submitted to this Court is the Secretary's Certificate issued by Silvina Q. Mamaril-Roxas, Officer-in-Charge, Office of the Secretary of BSP's Monetary Board attesting to Monetary Board Resolution No. 900, adopted and passed on July 18, 2008, which reads:

> 3. At the regular meeting of the MB on 18 July 2008, the MB adopted and passed MB Resolution No. 900, to wit:
>
> > The Board approved the recommendation of the Asset Management Department (AMD) to engage the services of Ongkiko Kalaw Manhit and Acorda Law Offices (OKMA Law) as follows:
> >
> > 1. To act as counsel for the Bangko Sentral ng Pilipinas (BSP) in a complaint to be filed against the Department of Environment and Natural Resources (DENR) Secretary, et al., before the Regional Trial Court, Malolos, Bulacan, involving a BSP-acquired property covered by Transfer Certificate of Title No. 48694 P(M) with a total area of 483.87 hectares in Norzagaray, Bulacan, and under the terms and conditions of the service engagement and the fees as shown in Annex G of the memorandum of Ms. Geraldine C. Alag, Director, AMB, dated 8 July 2008; and
> >
> > 2. To act as true and lawful attorney-in-fact of the BSP, with full power and authority, as follows:
> >
> > > a. To represent the BSP in the pre-trial conference and trial of the case;
> > > b. To negotiate, conclude, enter into and execute a compromise or amicable settlement of the case, under such terms and conditions as an attorney-in-fact may deem just and reasonable;
> > > c. To agree on the simplification of issues;

> d. To file and/or amend the necessary pleadings;
>
> x x x.
>
> Thus, the filing of the instant suit and the engagement of the services of counsel are duly authorized.
>
> It is significant to note that neither the Governor or General Counsel nor the Monetary Board of BSP has come out to disown the authority given for the filing of the instant suit and for the engagement of the services of BSP's counsel of record in this case.[17]

Therefore, as discussed above, in cases involving the BSP, the Monetary Board may authorize the BSP Governor to represent it personally or through a counsel, even a private counsel, and the authority to represent the BSP may be delegated to any of its officers.

**WHEREFORE**, the Petition for Review on *Certiorari* under Rule 45 dated March 13, 2013 of petitioner Bangko Sentral ng Pilipinas is **GRANTED**. Consequently, the Decision dated August 15, 2012 and Resolution dated February 18, 2013 of the Court of Appeals are **REVERSED** and **SET ASIDE** and the Orders dated January 20, 2009 and April 3, 2009 of the Regional Trial Court, Branch 20, Malolos City, Bulacan, are **AFFIRMED.**

Let this case, therefore, be **REMANDED** to the trial court for the continuation of its proceedings.

**SO ORDERED.**

**DIOSDADO M. PERALTA**
Associate Justice

**WE CONCUR:**

**PRESBITERO J. VELASCO, JR.**
Associate Justice
Chairperson

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17 *Rollo*, pp. 341-343.

**JOSE PORTUGAL PEREZ**
Associate Justice

**BIENVENIDO L. REYES**
Associate Justice

**FRANCIS H. JARDELEZA**
Associate Justice

## ATTESTATION

I attest that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.

**PRESBITERO J. VELASCO, JR.**
Associate Justice
Chairperson, Third Division

## CERTIFICATION

Pursuant to Section 13, Article VIII of the Constitution and the Division Chairperson's Attestation, I certify that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.

**MARIA LOURDES P. A. SERENO**
Chief Justice

CERTIFIED TRUE COPY

WILFREDO V. LAPITAN
Division Clerk of Court
Third Division

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