

RULE OF PROCEDURE FOR SMALL CLAIMS CASES AS AMENDED¹

SECTION 1. *Title.*—This Rule shall be known as “The Rule of Procedure for Small Claims Cases.”

SEC. 2. *Scope.*—This Rule shall govern the procedure in actions before the Metropolitan Trial Courts, Municipal Trial Courts in Cities, Municipal Trial Courts and Municipal Circuit Trial Courts for payment of money where the value of the claim does not exceed One Hundred Thousand Pesos (₱100,000.00) exclusive of interest and costs.

SEC. 3. *Definition of Terms.*—For purposes of this Rule:

- (a) *Plaintiff* refers to the party who initiated a small claims action. The term includes a defendant who has filed a counterclaim against plaintiff;
- (b) *Defendant* is the party against whom the plaintiff has filed a small claims action. The term includes a plaintiff against whom a defendant has filed a claim, or a person who replies to the claim;
- (c) *Person* is an individual, corporation, partnership, limited liability partnership, association, or other juridical entity endowed with personality by law;
- (d) *Individual* is a natural person;
- (e) *Motion* means a party’s request, written or oral, to the court for an order or other action. It shall include an informal written request to the court, such as a letter;
- (f) *Good cause* means circumstances sufficient to justify the requested order or other action, as determined by the judge; and
- (g) *Affidavit* means a written statement or declaration of facts that are sworn or affirmed to be true.

SEC. 4. *Applicability.*—The Metropolitan Trial Courts, Municipal Trial Courts in Cities, Municipal Trial Courts, and Municipal Circuit Trial Courts shall apply this Rule in all actions which are: (a) purely civil in nature where the claim or relief prayed for by the plaintiff is solely for payment or reimbursement of sum of money, and (b) the civil aspect of criminal actions, either filed before the institution of the criminal action, or reserved upon the filing of the criminal action in court, pursuant to Rule 111 of the Revised Rules Of Criminal Procedure.

These claims or demands may be:

- (a) For money owed under any of the following:
 - 1. Contract of Lease;
 - 2. Contract of Loan;
 - 3. Contract of Services;
 - 4. Contract of Sale; or
 - 5. Contract of Mortgage;
- (b) For damages arising from any of the following:
 - 1. Fault or negligence;
 - 2. Quasi-contract; or
 - 3. Contract;
- (c) The enforcement of a *barangay* amicable settlement or an arbitration award involving a money claim covered by this Rule pursuant to Sec. 417

¹ SC En Banc Resolution dated October 27, 2009 in A.M. No. 08-8-7-SC

of Republic Act 7160, otherwise known as the Local Government Code of 1991.

SEC. 5. *Commencement of Small Claims Action.*—A small claims action is commenced by filing with the court an accomplished and verified Statement of Claim (*Form 1-SCC*) in duplicate, accompanied by a Certification of Non-forum Shopping (*Form 1-A, SCC*), and two (2) duly certified photocopies of the actionable document/s subject of the claim, as well as the affidavits of witnesses and other evidence to support the claim. No evidence shall be allowed during the hearing which was not attached to or submitted together with the Claim, unless good cause is shown for the admission of additional evidence.

No formal pleading, other than the Statement of Claim described in this Rule, is necessary to initiate a small claims action.

SEC. 6. *Joinder of Claims.*—Plaintiff may join in a single statement of claim one or more separate small claims against a defendant provided that the total amount claimed, exclusive of interest and costs, does not exceed ₱100,000.00.

SEC. 7. *Affidavits.*—The affidavits submitted under this Rule shall state only facts of direct personal knowledge of the affiants which are admissible in evidence.

A violation of this requirement shall subject the party, and the counsel who assisted the party in the preparation of the affidavits, if any, to appropriate disciplinary action. The inadmissible affidavit(s) or portion(s) thereof shall be expunged from the record.

SEC. 8. *Payment of Filing Fees.*—The plaintiff shall pay the docket and other legal fees prescribed under Rule 141 of the Revised Rules of Court, unless allowed to litigate as an indigent.

A claim filed with a motion to sue as indigent (*Form 6-SCC*) shall be referred to the Executive Judge for immediate action in case of multi-sala courts, or to the Presiding Judge of the court hearing the small claims case. If the motion is granted by the Executive Judge, the case shall be raffled off or assigned to the court designated to hear small claims cases. If the motion is denied, the plaintiff shall be given five (5) days within which to pay the docket fees, otherwise, the case shall be dismissed without prejudice. In no case shall a party, even if declared an indigent, be exempt from the payment of the ₱1,000.00 fee for service of summons and processes in civil cases.

SEC. 9. *Dismissal of the Claim.*—After the court determines that the case falls under this Rule, it may, from an examination of the allegations of the Statement of Claim and such evidence attached thereto, by itself, dismiss the case outright on any of the grounds apparent from the Claim for the dismissal of a civil action.

SEC. 10. *Summons and Notice of Hearing.*—If no ground for dismissal is found, the court shall forthwith issue Summons (*Form 2-SCC*) on the day of receipt of the Statement of Claim, directing the defendant to submit a verified Response.

The court shall also issue a Notice (*Form 4-SCC*) to both parties, directing them to appear before it on a specific date and time for hearing, with a warning that no unjustified postponement shall be allowed, as provided in Section 19 of this Rule.

The summons and notice to be served on the defendant shall be accompanied by a copy of the Statement of Claim and documents submitted by plaintiff, and a copy of the Response (*Form 3-SCC*) to be accomplished by the defendant. The Notice shall contain an express prohibition against the filing of a motion to dismiss or any other motion under Section 14 of this Rule.

SEC. 11. *Response.* — The defendant shall file with the court and serve on the plaintiff a duly accomplished and verified Response within a non-extendible period of ten (10) days from receipt of summons. The Response shall be accompanied by certified photocopies of documents, as well as affidavits of witnesses and other evidence in support thereof. No evidence shall be allowed during the hearing which was not attached

to or submitted together with the Response, unless good cause is shown for the admission of additional evidence.

The grounds for the dismissal of the claim, under Rule 16 of the Rules of Court, should be pleaded.

SEC. 12. *Effect of Failure to File Response.* — Should the defendant fail to file his Response within the required period, and likewise fail to appear at the date set for hearing, the court shall render judgment on the same day, as may be warranted by the facts.

Should the defendant fail to file his Response within the required period but appears at the date set for hearing, the court shall ascertain what defense he has to offer and proceed to hear, mediate or adjudicate the case on the same day as if a Response has been filed.

SEC. 13. *Counterclaims Within the Coverage of this Rule.*—If at the time the action is commenced, the defendant possesses a claim against the plaintiff that (a) is within the coverage of this Rule, exclusive of interest and costs; (b) arises out of the same transaction or event that is the subject matter of the plaintiff's claim; (c) does not require for its adjudication the joinder of third parties; and (d) is not the subject of another pending action, the claim shall be filed as a counterclaim in the Response; otherwise, the defendant shall be barred from suit on the counterclaim.

The defendant may also elect to file a counterclaim against the plaintiff that does not arise out of the same transaction or occurrence, provided that the amount and nature thereof are within the coverage of this Rule and the prescribed docket and other legal fees are paid.

SEC. 14. *Prohibited Pleadings and Motions.* — The following pleadings, motions, or petitions shall not be allowed in the cases covered by this Rule:

- (a) Motion to dismiss the complaint;
- (b) Motion for a bill of particulars;
- (c) Motion for new trial, or for reconsideration of a judgment, or for reopening of trial;
- (d) Petition for relief from judgment;
- (e) Motion for extension of time to file pleadings, affidavits, or any other paper;
- (f) Memoranda;
- (g) Petition for *certiorari*, *mandamus*, or prohibition against any interlocutory order issued by the court;
- (h) Motion to declare the defendant in default;
- (i) Dilatory motions for postponement;
- (j) Reply;
- (k) Third-party complaints; and
- (l) Interventions.

SEC. 15. *Availability of Forms; Assistance by Court Personnel.*—The Clerk of Court or other court personnel shall provide such assistance as may be requested by a

plaintiff or a defendant regarding the availability of forms and other information about the coverage, requirements as well as procedure for small claims cases.

SEC. 16. *Appearance*. — The parties shall appear at the designated date of hearing personally.

Appearance through a representative must be for a valid cause. The representative of an individual-party must not be a lawyer, and must be related to or next-of-kin of the individual-party. Juridical entities shall not be represented by a lawyer in any capacity.

The representative must be authorized under a Special Power of Attorney (*Form 5-SCC*) to enter into an amicable settlement of the dispute and to enter into stipulations or admissions of facts and of documentary exhibits.

SEC. 17. *Appearance of Attorneys Not Allowed*.—No attorney shall appear in behalf of or represent a party at the hearing, unless the attorney is the plaintiff or defendant.

If the court determines that a party cannot properly present his/her claim or defense and needs assistance, the court may, in its discretion, allow another individual who is not an attorney to assist that party upon the latter's consent.

SEC. 18. *Non-appearance of Parties*.—Failure of the plaintiff to appear shall be cause for the dismissal of the claim without prejudice. The defendant who appears shall be entitled to judgment on a permissive counterclaim.

Failure of the defendant to appear shall have the same effect as failure to file a Response under Section 12 of this Rule. This shall not apply where one of two or more defendants who are sued under a common cause of action and have pleaded a common defense appears at the hearing.

Failure of both parties to appear shall cause the dismissal with prejudice of both the claim and counterclaim.

SEC. 19. *Postponement When Allowed*.—A request for postponement of a hearing may be granted only upon proof of the physical inability of the party to appear before the court on the scheduled date and time. A party may avail of only one (1) postponement.

SEC. 20. *Duty of the Court*.—At the beginning of the court session, the judge shall read aloud a short statement explaining the nature, purpose and the rule of procedure of small claims cases.

SEC. 21. *Hearing*. — At the hearing, the judge shall exert efforts to bring the parties to an amicable settlement of their dispute. Any settlement (*Form 7-SCC*) or resolution (*Form 8-SCC*) of the dispute shall be reduced into writing, signed by the parties and submitted to the court for approval (*Form 12-SCC*)

Settlement discussions shall be strictly confidential and any reference to any settlement made in the course of such discussions shall be punishable by contempt.

Sec. 22. *Failure of Settlement*. — If efforts at settlement fail, the hearing shall proceed in an informal and expeditious manner and be terminated within one (1) day. Either party may move in writing (*Form 10-SCC*) to have another judge hear and decide the case. The reassignment of the case shall be done in accordance with existing issuances.

The referral by the original judge to the Executive Judge shall be made within the same day the motion is filed and granted, and by the Executive Judge to the designated judge within the same day of the referral. The new judge shall hear and decide the case within five (5) working days from receipt of the order of reassignment.

SEC. 23. *Decision*.—After the hearing, the court shall render its decision on the same day, based on the facts established by the evidence (*Form 13-SCC*). The decision shall immediately be entered by the Clerk of Court in the court docket for civil cases and a copy thereof forthwith served on the parties.

The decision shall be final and unappealable.

SEC. 24. *Execution.*—If the decision is rendered in favor of the plaintiff, execution shall issue upon motion (*Form 9-SCC*).

SEC. 25. *Applicability of the Rules of Civil Procedure.*—The Rules of Civil Procedure shall apply suppletorily insofar as they are not inconsistent with this Rule.

SEC. 26. *Effectivity**.—This Rule shall take effect on October 1, 2008 for the pilot courts designated to apply the procedure for small claims cases following its publication in two newspapers of general circulation.

The amendments to this Rule shall take effect ninety (90) days from publication in two (2) newspapers of general circulation.

* Effectivity of the Rule to all pilot courts for small claims cases – **October 1, 2008**
Effectivity of the amendments to the Rule – **November 3, 2009**
Effective date of the implementation/roll-out of the Rule, as amended, to all first level courts, except the Shari’a Circuit Courts – **March 18, 2010**