



Republic of the Philippines
Supreme Court
Office of the Court Administrator
Manila

OCA CIRCULAR NO. 64-2017

**TO : ALL JUDGES AND CLERKS OF COURT/
ACCOUNTABLE OFFICERS OF THE FIRST
AND SECOND LEVEL COURTS**

**SUBJECT : COURT RESOLUTION DATED 5
OCTOBER 2016**

Pursuant to the 5 October 2016 Resolution of the Court *En Banc* in **A.M. No. 04-02-04-RTC** (*Re: Revised Upgrading Schedule of the Legal Fees in the Supreme Court and the Lower Courts under Rule 141 of the Rules of Court*), the Court **RESOLVED** to **APPROVE** the proposed draft of "The Legal Fees to be Collected in Cases of Liquidation of Solvent Juridical Debtors, Liquidation of Insolvent Juridical and Individual Debtors, Conversion from Rehabilitation to Liquidation Proceedings, Suspension of Payments of Insolvent Individual Debtors and Petitions In and Out of Court Restructuring Agreement Provided under A.M. Nos. 12-12-11-SC and 15-04-06-SC."

The Resolution dated 5 October 2016, appended herein as Annex "A", was published in the *Philippine Daily Inquirer* and the *Philippine Star* on 12 November 2016 and took effect on 27 November 2016.

For your information, guidance and strict compliance.

March 20, 2017


JOSE MIDAS P. MARQUEZ
Court Administrator



Republic of the Philippines
Supreme Court
Manila

EN BANC

A.M. No. 04-02-04-SC

THE LEGAL FEES TO BE COLLECTED IN CASES OF LIQUIDATION OF SOLVENT JURIDICAL DEBTORS, LIQUIDATION OF INSOLVENT JURIDICAL AND INDIVIDUAL DEBTORS, CONVERSION FROM REHABILITATION TO LIQUIDATION PROCEEDINGS, SUSPENSION OF PAYMENTS OF INSOLVENT INDIVIDUAL DEBTORS AND PETITIONS IN AN OUT OF COURT RESTRUCTURING AGREEMENT PROVIDED UNDER A.M. NOS. 12-12-11-SC AND 15-04-06-SC

RESOLUTION

Whereas, in a Resolution dated 04 September 2001 under A.M. No. 00-8-10-SC, the Supreme Court *En Banc* declared that a petition for rehabilitation is considered a special proceeding, hence, Section 7 (d) and (g) of Rule 141 of the Revised Rules of Court should be applied;

Whereas, in a Resolution dated 25 November 2002 likewise under A.M. No. 00-8-10-SC, the Supreme Court *En Banc* separately laid down an equitable schedule of legal fees to be collected in cases of corporate rehabilitation;

Whereas, Rule 141 of the Revised Rules of Court, as amended by A.M. No. 04-2-04-SC effective 16 August 2004, incorporated the equitable schedule of legal fees prescribed for petitions for rehabilitation under Section 21 (i) thereof and, furthermore, provided under Section 21 (k) thereof that the fees prescribed under Section 7 (a) of the said rule shall apply to petitions for insolvency or other cases involving intra-corporate controversies;

Whereas, in order to be consistent with the policy statement of Republic Act No. 10142, otherwise known as the "Financial Rehabilitation and Insolvency Act of 2010," of ensuring a "timely, fair, transparent, effective and efficient rehabilitation or liquidation of debtors," cases for liquidation and suspension of payments, those converted from rehabilitation to liquidation proceedings and petitions for court-assistance in the execution or implementation, or annulment of the standstill agreement or out of court restructuring agreement should likewise have an equitable schedule of legal fees;

NOW, THEREFORE, the Court resolves to **ADOPT** a new schedule of filing fees as follows:

1. Rates of Filing Fee. –

- a. For cases converted from rehabilitation proceedings to liquidation proceedings in accordance with Sections 2 and 6, Rule 2 of the Financial Liquidation and Suspension of Payments Rules of Procedure (2015), otherwise known as the FLSP Rules, under A.M. No. 15-04-06-SC, no additional fees shall be collected.
- b. For newly-filed petitions for liquidation of solvent juridical debtors, the applicable fees shall be those provided for petitions for rehabilitation proceedings under Sec. 21 (i) of Rule 141 of the Revised Rules of Court.
- c. For newly-filed petitions for liquidation of insolvent juridical and individual debtors, the fees payable shall be based on the value of the assets of, or amount of monetary claims against, the debtor, whichever is higher, which must be declared in the petition or the inventory/list of assets of the debtor required to be attached to the petition, as follows:

1. Less than P10,000,000.00	P10,000.00
2. P10,000,000.00 or more but less than P20,000,000.00	P20,000.00
3. P20,000,000.00 or more but less than P30,000,000.00	P30,000.00
4. P30,000,000.00 or more but less than P40,000,000.00	P40,000.00
5. P40,000,000.00 or more but less than P50,000,000.00	P50,000.00
6. P50,000,000.00 or more but less than P60,000,000.00	P60,000.00
7. P60,000,000.00 or more but not more than P70,000,000.00	P70,000.00
8. P70,000,000.00 or more but less than P80,000,000.00	P80,000.00
9. P80,000,000.00 or more but less than P90,000,000.00	P90,000.00
10. P90,000,000.00 or more	P100,000.00

The value of the assets shall be based on the fair market value of the real properties of the petitioner stated in the tax declaration or the zonal value thereof fixed by the Bureau of Internal Revenue, whichever is higher. If there is none or in case of personal property, the value shall be as stated by the petitioner in the petition or the inventory/list of assets attached thereto.

- d. For cases involving suspension of payments of insolvent individual debtors, the fees payable shall be in accordance with the schedule of fees provided in the preceding paragraph.
- e. For petitions for court-assistance to execute or implement or annul the Standstill Agreement or the Out of Court Restructuring Agreement (OCRA), the fees payable shall be in the fixed amount of P20,000.00.

2. Manner of Payment. –**a. Petitions for Liquidation of Solvent Juridical Debtors**

- (i) Fees amounting to P100,000.00 or less shall be paid upon the filing of the petition.
- (ii) Fees in excess of P100,000.00 may be paid on staggered basis in accordance with the following schedule:
 - (1) 25% shall be paid upon the issuance of the Liquidation Order;
 - (2) 25% shall be paid upon the approval of the Liquidation Plan; and
 - (3) The balance of 50% shall be included as part of the preferred payables to be settled in the Liquidation Plan.

b. Petitions for Liquidation of Insolvent Juridical and Individual Debtors

- (i) Fees amounting to P50,000.00 or less shall be paid upon the filing of the petition.
- (ii) Fees in excess of P50,000.00 may be paid on staggered basis in accordance with the following schedule:
 - (1) 25% shall be paid upon the issuance of the Liquidation Order;
 - (2) 25% shall be paid upon the approval of the Liquidation Plan; and
 - (3) The balance of 50% shall be included as part of the preferred payables to be settled in the Liquidation Plan.

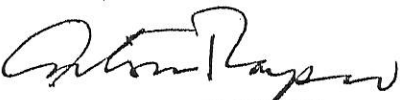
c. Petitions for Suspension of Payments of Insolvent Individual Debtors – fees shall be paid in full upon the filing of the petition.**d. Petitions for court assistance in the execution or implementation or annulment of the Standstill Agreement or the OCRA – fees in the amount of P20,000.00 shall be paid upon the filing of the petition.**

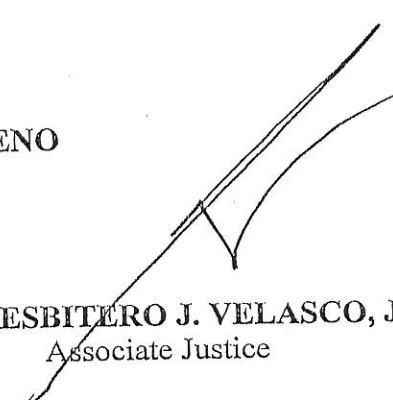
- 3. If in the course of the proceedings, it is established that the actual total outstanding liabilities or the assets or their value were not correctly declared in the petition, the court shall direct the immediate payment of any deficiency in the filing fees to be treated as an administrative expense. In any case, any unpaid balance shall constitute a lien on the assets of the debtor until fully paid.
- 4. Section 21 (k) of Rule 141 of the Revised Rules of Court is hereby DELETED as the fees covering petitions for insolvency are already provided for in this Resolution. As for cases involving intra-corporate controversies, the applicable fees shall be those provided under Section 7 (a), 7 (b) (1) or 7 (b) (3) of Rule 141 of the Revised Rules of Court depending on the nature of the action.
- 5. The certification by the Clerk of Court that the full and correct amount of the filing fee has been paid shall be required prior to the termination of the liquidation proceedings.

This Resolution shall take effect fifteen (15) days following its publication in the Official Gazette or in two (2) newspapers of national circulation. The Office of the Court Administrator (OCA) is directed to circularize the same upon its effectivity.

October 5, 2016

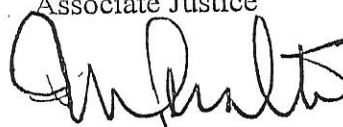
On official business
MARIA LOURDES P. A. SERENO
 Chief Justice

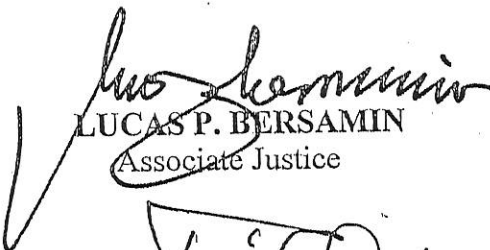

ANTONIO T. CARPIO
 Acting Chief Justice

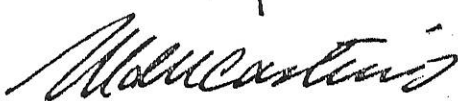

PRESBITERO J. VELASCO, JR.
 Associate Justice

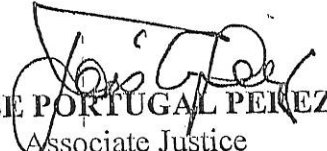

TERESITA J. LEONARDO-DE CASTRO
 Associate Justice

On leave
ARTURO D. BRION
 Associate Justice

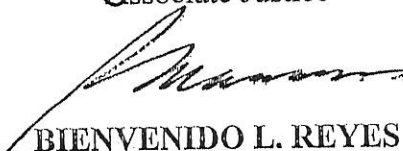

DIOSDADO M. PERALTA
 Associate Justice


LUCAS P. BERSAMIN
 Associate Justice



MARIANO C. DEL CASTILLO
 Associate Justice


JOSE PORTUGAL PEREZ
 Associate Justice

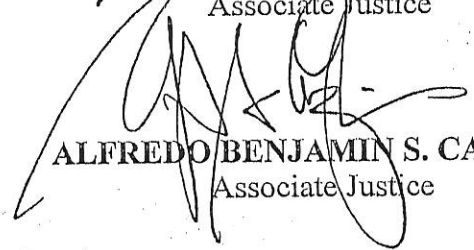

JOSE CATRAL MENDOZA
 Associate Justice


BIENVENIDO L. REYES
 Associate Justice


ESTELA M. PERLAS-BERNABE
 Associate Justice


MARVIC M. V. F. LEONEN
 Associate Justice


FRANCIS H. JARDELEZA
 Associate Justice


ALFREDO BENJAMIN S. CAGUIOA
 Associate Justice