



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

OCA CIRCULAR NO. 399-2023

TO : ALL JUDGES OF THE REGIONAL TRIAL COURTS DESIGNATED AS SPECIAL COMMERCIAL COURTS AND COURTS HEARING COMMERCIAL CASES

SUBJECT: GUIDELINES ON ACTUAL NOTICE TO CONCERNED COURTS IN FINANCIAL REHABILITATION PROCEEDINGS

In its Decision dated 11 July 2023 in *Pacific Cement Company vs. Oil and Natural Gas Commission*¹, the Court ruled that “courts and tribunals are not always properly and promptly informed of the issuance of a commencement order that involves or affects the party litigants, whether as creditor or debtor. To obviate the possibility of separate suits or appeals questioning orders of judgments rendered in violation of a commencement/stay order, which will only delay the consolidation of all legal proceedings in the rehabilitation court, it is imperative for the Court to formulate guidelines on the matter of actual notice to the concerned court or tribunal.”

Accordingly, the Court declared “that the following procedure be observed in the conduct of financial rehabilitation proceedings pursuant to [the Financial Rehabilitation and Insolvency Act of 2010] (FRIA) and the [Financial Rehabilitation Rules of Procedure] (FR) Rules:

- (1) Upon the appointment of a rehabilitation receiver, the rehabilitation court shall instruct the former to notify all courts or tribunals before which the debtor/s has/have pending actions, by way of manifestation, of the existence of the petition, for rehabilitation, the court before which the petition was filed, the date of its filing, and the fact of the issuance of a commencement order and stay order.
- (2) In cases where the petitioner/s is/are debtor/s, the courts or tribunals to be notified shall be those indicated in the verified petition and affidavit of general financial condition, as required by Sec. 2 (A)(7) and (10), Rule 2(A) of the FR Rules.
- (3) In cases where the petitioner/s is/are creditor/s, the rehabilitation court shall, together with the appointment of a rehabilitation receiver, instruct the latter to ascertain the existence of any pending actions or proceedings by or against the debtor/s.
- (4) The rehabilitation receiver shall report its compliance herewith to the rehabilitation court on the date of the initial hearing.
- (5) The rehabilitation court shall further require the rehabilitation receiver, should the latter learn of any other pending actions by or against the debtor/s to notify such other court or tribunal of the existence of the petition for rehabilitation, the court before which the petition was filed, the date of its filing, and the fact of the issuance of a

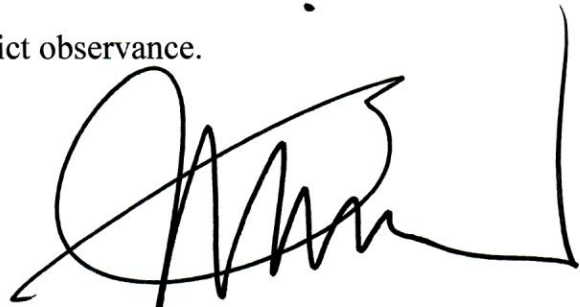
¹ G.R. Nos. 229471 [Per CJ Gesmundo, En Banc].

commencement order and stay order, by way of manifestation within five calendar days from the rehabilitation receiver's knowledge of such other actions. The rehabilitation receiver shall likewise report its compliance herewith to the rehabilitation court within five calendar days. [Emphasis supplied]

Any prior circular from this Office on this matter which is contrary to the foregoing is hereby deemed superseded.

For your information, guidance, and strict observance.

19 December 2023

A handwritten signature in black ink, appearing to read 'Raul B. Villanueva', written in a cursive style.

RAUL B. VILLANUEVA
Court Administrator