

THIRD DIVISION

[G.R. NO. 161757, January 25, 2006]

**SUNACE INTERNATIONAL MANAGEMENT SERVICES, INC.
PETITIONER, VS. NATIONAL LABOR RELATIONS COMMISSION,
SECOND DIVISION; HON. ERNESTO S. DINOPOL, IN HIS
CAPACITY AS LABOR ARBITER, NLRC; NCR, ARBITRATION
BRANCH, QUEZON CITY AND DIVINA A. MONTEHERMOZO,
RESPONDENTS.**

DECISION

CARPIO MORALES, J.:

Petitioner, Sunace International Management Services (Sunace), a corporation duly organized and existing under the laws of the Philippines, deployed to Taiwan Divina A. Montehermozo (Divina) as a domestic helper under a 12-month contract effective February 1, 1997.^[1] The deployment was with the assistance of a Taiwanese broker, Edmund Wang, President of Jet Crown International Co., Ltd.

After her 12-month contract expired on February 1, 1998, Divina continued working for her Taiwanese employer, Hang Rui Xiong, for two more years, after which she returned to the Philippines on February 4, 2000.

Shortly after her return or on February 14, 2000, Divina filed a complaint^[2] before the National Labor Relations Commission (NLRC) against Sunace, one Adelaide Perez, the Taiwanese broker, and the employer-foreign principal alleging that she was jailed for three months and that she was underpaid.

The following day or on February 15, 2000, Labor Arbitration Associate Regina T. Gavin issued Summons^[3] to the Manager of Sunace, furnishing it with a copy of Divina's complaint and directing it to appear for mandatory conference on February 28, 2000.

The scheduled mandatory conference was reset. It appears to have been concluded, however.

On April 6, 2000, Divina filed her Position Paper^[4] claiming that under her original one-year contract and the 2-year extended contract which was with the knowledge and consent of Sunace, the following amounts representing income tax and savings were deducted:

Year	Deduction for Income Tax	Deduction for Savings
1997	NT10,450.00	NT23,100.00
1998	NT9,500.00	NT36,000.00

1999

NT13,300.00

NT36,000.00;^[5]

and while the amounts deducted in 1997 were refunded to her, those deducted in 1998 and 1999 were not. On even date, Sunace, by its Proprietor/General Manager Maria Luisa Olarte, filed its Verified Answer and Position Paper,^[6] claiming as follows, quoted *verbatim*:

**COMPLAINANT IS NOT ENTITLED
FOR THE REFUND OF HER 24 MONTHS
SAVINGS**

3. Complainant could not anymore claim nor entitled for the refund of her 24 months savings as she already took back her saving already last year and the employer did not deduct any money from her salary, in accordance with a **Fascimile Message** from the respondent SUNACE's employer, Jet Crown International Co. Ltd., a xerographic copy of which is herewith attached as **ANNEX "2"** hereof;

**COMPLAINANT IS NOT ENTITLED
TO REFUND OF HER 14 MONTHS TAX
AND PAYMENT OF ATTORNEY'S FEES**

4. There is no basis for the grant of tax refund to the complainant as the she finished her one year contract and hence, was not illegally dismissed by her employer. She could only lay claim over the tax refund or much more be awarded of damages such as attorney's fees as said reliefs are available only when the dismissal of a migrant worker is without just valid or lawful cause as defined by law or contract.

The rationales behind the award of tax refund and payment of attorney's fees is not to enrich the complainant but to compensate him for actual injury suffered. Complainant did not suffer injury, hence, does not deserve to be compensated for whatever kind of damages.

Hence, the complainant has NO cause of action against respondent SUNACE for monetary claims, considering that she has been totally paid of all the monetary benefits due her under her Employment Contract to her full satisfaction.

6. Furthermore, the tax deducted from her salary is in compliance with the Taiwanese law, which respondent SUNACE has no control and complainant has to obey and this Honorable Office has no authority/jurisdiction to intervene because the power to tax is a sovereign power which the Taiwanese Government is supreme in its own territory. The sovereign power of taxation of a state is recognized under international law and among sovereign states.
7. That respondent SUNACE respectfully reserves the right to file supplemental Verified Answer and/or Position Paper to substantiate its prayer for the dismissal of the above case against the herein

respondent. AND BY WAY OF -

x x x x (Emphasis and underscoring supplied)

Reacting to Divina's Position Paper, Sunace filed on April 25, 2000 an ". . . answer to complainant's position paper"^[7] alleging that Divina's 2-year extension of her contract was without its knowledge and consent, hence, it had no liability attaching to any claim arising therefrom, and Divina in fact executed a Waiver/Quitclaim and Release of Responsibility and an Affidavit of Desistance, copy of each document was annexed to said ". . . answer to complainant's position paper."

To Sunace's ". . . ANSWER TO COMPLAINANT'S PAPER" Divina filed a 2-page reply,^[8] without, however, refuting Sunace's disclaimer of knowledge of the extension of her contract and without saying anything about the Release, Waiver and Quitclaim and Affidavit of Desistance.

The Labor Arbiter, rejected Sunace's claim that the extension of Divina's contract for two more years was without its knowledge and consent in this wise:

We reject Sunace's submission that it should not be held responsible for the amount withheld because her contract was extended for 2 more years without its knowledge and consent because as Annex "B"^[9] shows, Sunace and Edmund Wang have not stopped communicating with each other and yet the matter of the contract's extension and Sunace's alleged non-consent thereto has not been categorically established.

What Sunace should have done was to write to POEA about the extension and its objection thereto, copy furnished the complainant herself, her foreign employer, Hang Rui Xiong and the Taiwanese broker, Edmund Wang.

And because it did not, it is presumed to have consented to the extension and should be liable for anything that resulted therefrom (*sic*).^[10]
(Underscoring supplied)

The Labor Arbiter rejected too Sunace's argument that it is not liable on account of Divina's execution of a Waiver and Quitclaim and an Affidavit of Desistance. Observed the Labor Arbiter:

Should the parties arrive at any agreement as to the whole or any part of the dispute, the same shall be reduced to writing and signed by the parties and their respective counsel (*sic*), if any, before the Labor Arbiter. The settlement shall be approved by the Labor Arbiter after being satisfied that it was voluntarily entered into by the parties and after having explained to them the terms and consequences thereof.

A compromise agreement entered into by the parties not in the presence of the Labor Arbiter before whom the case is pending shall be approved by him, if after confronting the parties, particularly the complainants, he is satisfied that they understand the terms and conditions of the settlement and that it was entered into freely voluntarily (*sic*) by them and the agreement is not contrary to law, morals, and public policy.