



Republic of the Philippines
 Supreme Court
 Manila

SECOND DIVISION

REPUBLIC OF THE
 PHILIPPINES,

Petitioner,

- versus -

G.R. No. 210412

Present:

CARPIO, J., *Chairperson*,
 BRION,
 MENDOZA,
 PERLAS-BERNABE,* and
 LEONEN, JJ.

KAMRAN F. KARBASI,

Respondent.

Promulgated:

29 JUL 2015

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DECISION

MENDOZA, J.:

The Contracting States shall as far as possible facilitate the assimilation and naturalization of refugees. They shall in particular make every effort to expedite naturalization proceedings and to reduce as far as possible the charges and costs of such proceedings.¹

This is a petition for review on *certiorari* under Rule 45 of the Rules of Court assailing the January 29, 2013 Decision² and the November 27, 2013³ Resolution of the Court of Appeals (CA), in CA-G.R. CV No. 01126-MIN, which affirmed the January 17, 2007 Order of the Regional Trial Court, Branch 10, Dipolog City (RTC), in a naturalization case docketed as Naturalization Case No. 2866. The RTC order granted the petition for

* Designated Acting Member in lieu of Associate Justice Mariano C. Del Castillo, per Special Order No. 2115, dated July 22, 2015.

¹ Article 34 of the 1951 Convention relating to the Status of Refugees.

² *Rollo*, pp. 24-37. Penned by Associate Justice Oscar V. Badelles and concurred into by Associate Justices Edgardo A. Camello and Renato C. Francisco of the Twenty-Second Division, Court of Appeals, Cagayan de Oro City.

³ *Id.* at 38-39.

naturalization and, thus, admitted Karman F. Karbasi as a citizen of the Philippines.

The Facts

On June 25, 2002, Kamran F. Karbasi (*Karbasi*) filed a petition for naturalization with the RTC, where he alleged the following:

1. His full name is Kamran F. Karbasi;
2. He is recognized as a **Person of Concern by the United Nations High Commissioner for Refugees (UNHCR)** as shown in a certification duly issued by the UNHCR;
3. He is presently residing with his family at 341 Burgos Street, Dipolog City, since early part of June 2000 and more so has resided continuously in the Philippines for not less than 11 years immediately preceding the date of this petition; to wit, since 11 July 1990 and in Dipolog City for more than one (1) year;
4. His last place of foreign residence was Pakistan and his other places of residence, prior to his present residence, were as follows (i) Panay Ave., Quezon City; (ii) Sta. Filomena, Dipolog City; (iii) Capitol Area, Dumaguete City; (iv) Dohinob, Roxas, Zamboanga del Norte;
5. He was born on 4 September 1966 in Tehran, Iran, as shown in his identity card which also serves as his birth certificate;
6. He is married and is the father of one (1) child;
7. His wife Cliji G. Lim Karbasi is a Filipino citizen, 22 years old and born on 10 August 1979 in Cebu City, whom he married on 12 October 2000 in Dipolog City, as shown in their certificate of marriage;
8. His child, Keenyji L. Karbasi, 1-year old, was born on 9 June 2001 in Dipolog City and presently residing with him and his wife at 341 Burgos Street, Dipolog City;
9. He arrived in Manila, Philippines, under an assumed name (Syed Gul Agha) from Pakistan on 11 July 1990 specifically at the Manila International Airport on board Philippine Airlines Flight No. 731, per UNHCR certification containing reference to his Pakistani passport issued under said assumed name;
10. Due to his marriage, he is entitled to the benefit of Section 3 of Commonwealth Act No. 473, which reduced to five years the ten year requirement of continuous residence;
11. He speaks and writes English and Visayan;

12. His trade or occupation is as a repair technician in which he has been engaged since 1998 and, as such, he derives an average annual income of Php 80,000.00 more or less;
13. He has all the qualifications required under Section 2 and none of the disqualifications under Section 4, of the Commonwealth Act No. 473;
14. He has complied with the requirements of the Naturalization Law (Commonwealth Act No. 473) regarding the filing with the Office of the Solicitor General of his bona fide intention to become a citizen of the Philippines, as shown in his Declaration of Intention duly filed on 25 May 2001;
15. It is his intention in good faith to become a citizen of the Philippines and to renounce absolutely and forever all allegiance and fidelity to any foreign prince, potentate, state or sovereignty, and particularly to Iran of which, at this time, he is a citizen or subject; that he will reside continuously in the Philippines from the date of filing of this petition up to the time of his admission to Philippine citizenship;
16. Dominador Natividad Tagulo, of legal age, Filipino, married and residing at ABC Compound, Quezon Ave., Miputak, Dipolog City and Alton C. Ratificar, of legal age, Filipino, married and residing at 047 Burgos Street, Dipolog City, who are Filipino citizens, whose affidavits are attached to his petition, will appear and testify as witnesses at the hearing thereof.

[Emphasis Supplied]

On July 2, 2002, after finding the petition sufficient in form and substance, the RTC issued an order setting the petition for hearing on October 21, 2002 and ordering the publication thereof, once a week for three (3) consecutive weeks, in the Official Gazette and in a newspaper of general circulation in Zamboanga del Norte and in the cities of Dipolog and Dapitan. In the same Order, persons concerned were enjoined to show cause, if any, why the petition should not be granted and oppose the petition.

On July 22, 2002, the RTC amended its previous order and, with notice to the Office of the Solicitor General (*OSG*), reset the hearing on September 10, 2003 instead because the National Printing Office could no longer accommodate the publication requirement before the first hearing date.

On December 2, 9 and 16, 2002, copies of the amended order and Karbasi's petition were published in the Official Gazette. Subsequently, the same were published in *Press Freedom* on January 27, February 3 and 10,

2003. The said copies were likewise posted on the bulletin boards of the RTC and the Municipal Building of Roxas, Zamboanga del Norte and Capitol Building, Dipolog City.

On September 10, 2003, Karbasi and his counsel appeared and presented proof of compliance with the jurisdictional requirements. Nobody appeared to interpose an objection to the petition.

During the hearing on May 18, 2006, Alton C. Ratificar (*Ratificar*) and Dominador Natividad Tagulo (*Tagulo*) testified as character witnesses.

Ratificar testified that in 1990, he was introduced to Karbasi whose house was located about 30 meters away from his; that he came to know him since then; that when Karbasi got married, he was invited to the wedding ceremony where the then City Mayor of Dipolog was one of the wedding sponsors; that he also attended the celebration; that he used to see Karbasi almost every day as he owned an electronics repair shop near his house; that Karbasi would also allow neighbors, who did not own television sets at home, to watch shows at his repair shop; that he never heard of any complaint by the neighbors against Karbasi, who went to church during Sundays and even on weekdays; that on several occasions, he was invited to Karbasi's home, where he observed his good relationship with his in-laws and his treatment of his wife and child which was in accordance with Filipino customs; and that Karbasi talked to him in both Visayan and English.

For his part, witness Tagulo testified that he worked at the Andres Bonifacio College and had known Karbasi since July 1990 when the latter was then enrolled in a vocational course; that Karbasi was very respectful to his instructors and that he had good grades; that he treated his schoolmates in accordance with Filipino customs; that he never showed any inclination to violence; that when Karbasi transferred to Dumaguete City, he visited him there; and that during this visits, Tagulo witnessed how Karbasi socially interacted and mingled with the rest of the community.

On August 10, 2006, the wife of Karbasi, Cliji G. Lim (*Cliji*), also took the witness stand. She testified that her father introduced her to Karbasi during her graduation party; that a courtship followed thereafter for five months, during which Karbasi was well-behaved and acted like any other Filipino; that when Karbasi proposed marriage to her, he was accompanied by his brother, Ali Karbasi; that Karbasi's baptism as a Catholic coincided with her birthday; that after their marriage, they begot two (2) children; that Karbasi continuously stayed with his family and never returned to Iran; that he was a good husband, father and provider; that all his income from the

repair shop was turned over to her for the budgeting of the family's expenses; and that he was then earning a daily income of ₱1,000.00.

She added that Karbasi and his family regularly attended the Catholic mass and received communion; that they were active members of Couples for Christ since 2003; that he actively participated in Catholic practices like the novena and vigil for her deceased grandfather; that Karbasi was not a polygamist and that he did not flirt with other women; that she never heard her husband speak of any terrorist groups; and that he was never known to have an immoral reputation.

On several hearing dates thereafter, Karbasi himself took the witness stand. As summarized by the RTC, the gist of his testimony is as follows:

He is an Iranian national. He was born in Tehran, Iran, and resided there since birth up to 1986. His father is Abdolhossein Karbasi, a doctor in Iran, and his mother is Narjes Froghnia Karbasi, a retired teacher.

He has five brothers and two sisters. The eldest of the brood, Hamid Reza Karbasi, is in the United States of America and is now an American Citizen. The second, Dr. Ali Reza Karbasi, admitted as Filipino citizen in the Regional Trial Court, Branch 6, Dipolog City, is in the Philippines. The third is Qite Karbasi, his sister. The fourth, his brother, Dr. Abduoul Reza Karbasi, graduated in India. The fifth, his sister, Kia Karbasi, is a nurse. The sixth, his brother Qolam Reza Karbasi, is an engineer who graduated in France. His last four siblings are all in Iran.

He was a Shiite Muslim before he was converted as Roman Catholic. His former religion believes in the existence of a Supreme Being called God. It believes in the existence of government and repudiates violence. His said religion is not within an organization of Al Qaeda, Jemayah Islamiya, or any terrorist group. It also adheres to the principle of one man-one woman marital relation.

He and his brother, Ali Reza Karbasi, left Iran in 1986 because of the war between Iran and Iraq at that time. When the Shah of Iran, Pahlavi, was overthrown by Ayatollah Khomini in 1979, some Iranian nationals left Iran. He and Ali Reza, who also condemns the act of overthrowing an existing government by force and violence, were among those who left. Since the government confiscated his passport, they traveled by camel and passed by the desert during night time to reach Pakistan. He stayed there for almost three (3) years,

Being foreigners in Pakistan, they submitted themselves to the United Nations High Commissioner for Refugees. However, they were not granted the status of refugee right away since Pakistan is adjacent to Iran. They had to transfer to a third country

not at war with Iran. Since his brother Ali Reza was already studying in the Philippines, they decided to come here.

As it was difficult for him to get travel documents, petitioner procured a Pakistani passport under the assumed name of Syed Gul Agha.

Upon his arrival in the Philippines on July 11, 1990, he submitted himself to the United Nations in Manila. After several interviews, he was admitted as a refugee and, later on, as a person of concern. As a refugee, he was granted by the United Nations allowances, medical benefits and protection to some extent.

After having been interviewed by the Solicitor General regarding his intention to become a Filipino citizen, he filed the corresponding Declaration of Intention, dated March 28, 2001, on May 25, 2001.

Sometime in 2002, petitioner, having signified his intention to become a Filipino citizen, was issued a certification captioned "UN High Commissioner for Refugees, Liaison Office for the Philippines," dated 25 June 2002, certifying that he has been recognized as a person of concern who arrived in the Philippines on 11 July 1990 on board Philippine Airlines flight 731 under an assumed name (Syed Gul Agha).

At the time of the filing of the petition, he was already married and residing at 341 Burgos Street, Dipolog City. However, upon arrival in the Philippines, he first resided at Panay Avenue, Quezon City, where he stayed for almost six months. During those times, the United Nations provided him a monthly allowance of ₱2,800.00, being a refugee. He then transferred to Burgos Street, Miputak, Dipolog City, where he stayed at the house of the father-in-law of his brother Ali Reza for a month.

He then moved to Sta. Filomena, Dipolog City, at the house of his sister-in-law. It was during this time that he enrolled at Andres Bonifacio College where he studied from 1990 to 1992. He finished a two-year vocational course in said school as evidenced by a Diploma issued by the Andres Bonifacio College, Dipolog City. In Iran, he finished Bachelor of Science in Economics.

He then pursued a four-year course (Bachelor of Science in Industrial Technology Major in Electronics) at the Central Visayas Polytechnic College in Dumaguete City. He resided in the Capitol Area of said city. He was already receiving a monthly allowance of ₱4,800.00 from the United Nations at that time. He graduated from said institution as evidenced by a Diploma issued by said school. He also attended technical trainings conducted by Asian Durables Manufacturing, Inc. as evidenced by a Certificate of Attendance issued by said company.

In 1996, he returned to Dipolog City and resided at Burgos Street where he opened his electronics repair shop (KX3 Electronics Repair Shop).

On October 12, 2000, he got married. The couple transferred to the house of his parents-in-law after the marriage. When the grandfather of his wife got ill, they were requested to take care of him. Thus, the couple transferred their residence to Dohinob, Roxas. However, they moved back to their house in Burgos Street, Dipolog City, as it is nearer to a hospital. When his grandfather-in-law died, he participated in all the rites and ceremonies relative to his wake and burial.

At present, his repair shop's gross monthly income hovers between ₱20,000.00 to ₱25,000.00."⁴

Additionally, Karbasi claimed that he had never been involved in any demonstration or mass action protesting any issuances, policies or acts of the Philippine Government and its officials; that he had never made any rebellious or seditious utterances; that he believed in the principles underlying the Philippine Constitution and he had even memorized the preamble; and that he can also sing the Philippine National Anthem and recite the Filipino Patriotic Pledge, both of which he did in open court.

The following documents were proffered in Karbasi's Formal Offer of Exhibits: 1] Identity Card issued by Iran to prove his Iranian citizenship; 2] Pakistani passport with visa under the assumed name of Syed Gul Agha; 3] Certifications and Identification Card issued by the UNHCR to prove his status as a refugee and, later, as a "person of concern"; 4] Alien Certificate of Registration; 5] Certifications to prove Filipino nationality of Karbasi's wife, Cliji G. Lim; 6] Certificate of Marriage between Karbasi and Cliji; 7] Certificates of Live Birth of his children Keenyji and Kerl Jasmen; 8] Karbasi's Certificate of Baptism; 9] Affidavits of his character witnesses Alton C. Ratificar and Dominador Tagulo; 10] Police and NBI Clearances; 11] Certifications and Diploma to prove his completion of vocational technology, BS Industrial Technology, and training seminars; 12] Alien Employment Permit for Refugees; 13] Business Permit, Clearances and DTI Certificates of Accreditation to KX3 Repair Shop, Karbasi's source of livelihood; 14] Income Tax Returns for the years 2001 to 2005; and 15] Contract of Service with Quality Circuits Services, Inc. and Kolins Philippines Intl. Inc., including a Summary of Accounts paid to KX3 Electronics Repair Shop.⁵

On January 17, 2007, the RTC found Karbasi's evidence sufficient to support his petition. Finding Karbasi as possessing all the qualifications and none of the disqualifications to become a Filipino citizen, the RTC rendered its decision, the dispositive portion of which reads:

⁴ RTC Decision, id. at 46-47.

⁵ Id. at 29-30.

WHEREFORE, in view of the foregoing, the petition for naturalization filed by KAMRAN F. KARBASI to be admitted as citizen of the Philippines is hereby GRANTED.

SO ORDERED.⁶

Not in conformity, the Republic of the Philippines, through the Office of the Solicitor General (*OSG*), interposed an appeal to the CA, based mainly on the ground that the RTC erred in granting Karbasi's petition as he failed to comply with the provisions of Commonwealth Act No. 473 (*Naturalization Law*) on character, income and reciprocity. Specifically, the OSG pointed out that Karbasi failed to establish that: 1] Iran grants reciprocal rights of naturalization to Filipino citizens; 2] he has a lucrative income as required under the law; and 3] he is of good moral character as shown by his disregard of Philippine tax laws when he had underdeclared his income in his income tax returns (ITRs) and overstated the same in his petition for naturalization.

On January 29, 2013, the CA rendered the assailed decision affirming the grant of Filipino citizenship to Karbasi. The dispositive portion of the CA decision reads:

WHEREFORE, premises considered, the appeal is DENIED. The Decision dated 17 January 2007 of the Regional Trial Court of Dipolog City, Branch 10 in Naturalization Case No. 2866 is AFFIRMED.

SO ORDERED.⁷

The CA ruled that the alleged under declaration in Karbasi's ITRs was prepared in good faith because he was of the belief that he no longer needed to include the income he received as payment of his services to Daewoo Electronics Services, Inc. (*Daewoo*) and Kolins Philippines International, Inc. (*Kolins*), because the same were already withheld at source. The CA likewise affirmed the RTC finding that Karbasi, as a refugee, need not prove reciprocity between Philippine and Iranian laws.

Hence, this petition.

⁶ Id. at 50.

⁷ Id. at 36.

Position of the OSG

The OSG asserts that the findings of the courts *a quo* are not in accord with law and jurisprudence because Karbasi failed to prove that he had a lucrative income and an irreproachable character. It insists that Karbasi failed to establish his lucrative income considering that at the time of the filing of his petition for naturalization in 2002, his gross income was ₱21,868.65. Per table of Annual Income and Expenditure in Western Mindanao, the average income for the year 2000 was ₱86,135.00 and for 2003 was ₱93,000.00. This shows that Karbasi's declared gross income was way below the average income and average expenses in Western Mindanao, the region where Dipolog City, his residence, is located. The OSG argues that even if the subsequent years were to be considered, Karbasi's income was still insufficient as compared to the average income and expenditure in the area. Karbasi's declared income for the years 2003, 2004 and 2005 were ₱31,613.00, ₱41,200.00 and ₱39,020.00, respectively. The same table presentation, however, provides that the average expenditure for the year 2000 was ₱69,452.00, and for the year 2003 was ₱75,000.00. This shows that Karbasi's declared gross income was not enough to support his family within the contemplation of the law. Whether based on his testimony or on his ITRs, Karbasi's gross income was not adequate, given the high cost of living prevailing in the region. The OSG also mentions that Karbasi's child had started formal schooling which would entail substantial income on the part of Karbasi, so that he could meet his family's needs.

The OSG cites the discrepancy between his petition for naturalization and his ITRs as another reason to deny his application for Filipino citizenship. An examination of the petition discloses that Karbasi claimed an annual income of ₱80,000.00. He had also declared in his testimony that he was earning ₱20,000.00 to ₱25,000.00, monthly, from his electronic repair shop. His ITRs on the other hand, show his gross income as ₱14,870.00 in 2001; ₱21,868.65 in 2002; ₱31,613.00 in 2003; ₱41,200.00 in 2004; and ₱ 39,020.00 in 2005.

The OSG further argues that the "underdeclaration" of Karbasi's income in his ITRs reflects his disregard of Philippine tax laws and, worse, its overstatement in his petition indicates his intent to make it appear that there was compliance with the Naturalization Law, when there was actually none. According to the OSG, this negates irreproachable behavior which required of every applicant for naturalization because the failure to enter the true income on the tax return is indicative of dishonesty. The OSG cited the ruling in *Republic v. Yao*,⁸ where the Court ordered the cancellation of the naturalization certificate issued to the applicant therein upon the discovery

⁸ 214 SCRA 748, October 20, 1992.

of his underdeclaration and underpayment of income tax. In the OSG's words, "[u]nderdeclaration of income is a serious matter that it is used as a ground to cancel the certificate of naturalization. If the court can reverse the decision in an application for naturalization, with more reason can underdeclaration be considered in denying an application," as in Karbasi's case.⁹

Position of Karbasi

In the April 7, 2014 Resolution of the Court, Karbasi was required to file a comment on the petition in which he mainly argued that the petition did not raise questions of law but questions of facts which were too unsubstantial to require consideration. He countered that while, admittedly, the "lucrative trade/occupation" requirement under the law must be complied with, it has been emphasized in jurisprudence that, the objective of this economic requirement is to ensure that the applicant should not become a public charge or an economic burden upon the society.¹⁰ Karbasi claims that he had more than satisfactorily established his lucrative trade or occupation, showing that he would become a citizen who could contribute to national progress. This has been clearly and unanimously appreciated by the RTC and the CA.

Karbasi also avers that the analysis of the OSG with respect to the data on Annual Income and Expenditure in Western Mindanao is misplaced. Firstly, the data presented were merely statistical and not actual, and did not reflect the circumstances relative to a specific subject or person. Hence, these are greatly unreliable with respect to a specific person in a naturalization case. At best, it was only intended for the purpose it was made – for planning and for policy making of the government and not to determine whether a certain trade, occupation or income is lucrative or not.

Anent the allegation that the underdeclaration of his income projects was a flaw on his moral character, Karbasi point out that he had sincerely explained that his failure to declare his correct annual income was in good faith not intended to commit fraud. He believed that the other sources of his income apart from his repair shop had already been withheld by the companies for whom he had rendered services. For Karbasi, the meaning of "irreproachable" as required by the law does not mean "perfectly faultless."

On September 18, 2014, Karbasi moved for leave of court to file a supplemental pleading, in which he insisted that pursuant to the 1951

⁹ *Rollo*, p. 20.

¹⁰ *Id.* at 71.

Convention Relating to the Status of Refugees and the 1967 Protocol Relating to the Status of Refugees, to which the Philippines was a signatory, the country was bound to safeguard the rights and well-being of the refugees and *to ensure the facility of their local integration including naturalization*. Karbasi reasoned that this was precisely why Department Circular 58 Series of 2012 was issued by the Department of Justice (DOJ). Under the said circular, the Refugees and Stateless Persons Unit was created not only to facilitate the identification and determination of refugees but also for the protection of these refugees.

Karbasi insisted that unlike any other alien applying for naturalization, he had to leave Iran out of fear of persecution without any mental and financial preparation, and only with a view of finding safe refuge in the Philippines.

Reply of OSG

In its Reply, the OSG contended that Karbasi could not downplay the significance of the Data on Annual Income and Expenditure in Western Mindanao, as it was an accurate illustration of the financial condition of a typical family in a particular region. The said table was prepared by the National Statistics Coordination Board (*NSCB*), which strengthened the credibility of the report. The OSG explained that whether the data were statistical or actual, the numbers still reflected the financial standing of Karbasi. It followed then that Karbasi could not claim good faith in failing to declare the income he gained from his transactions with several companies. He even failed to present a certificate of tax withheld to show that these companies had actually remitted the withholding taxes due to the Bureau of Internal Revenue. Even assuming that Karbasi's declared income allegedly excluded the amount withheld by these companies, the OSG claimed that his income would still be below the standard income and expenditure per the table.

The Court's Ruling

The Court is confronted with the issue of whether or not the CA had correctly affirmed the RTC decision granting Karbasi's application for naturalization despite the opposition posed by the OSG.

Citizenship is personal and, more or less a permanent membership in a political community. It denotes possession within that particular political community of full civil and political rights subject to special disqualifications. Reciprocally, it imposes the duty of allegiance to the

political community.¹¹ The core of citizenship is the capacity to enjoy political rights, that is, the right to participate in government principally through the right to vote, the right to hold public office and the right to petition the government for redress of grievance.¹²

No less than the 1987 Constitution enumerates who are Filipino citizens.¹³ Among those listed are citizens by naturalization. Naturalization refers to the legal act of adopting an alien and clothing him with the privilege of a native-born citizen. Under the present laws, the process of naturalization can be judicial or administrative. Judicially, the Naturalization Law provides that after hearing the petition for citizenship and the receipt of evidence showing that the petitioner has all the qualifications and none of the disqualifications required by law, the competent court may order the issuance of the proper naturalization certificate and its registration in the proper civil registry. On the other hand, Republic Act (*R.A.*) No. 9139 provides that aliens born and residing in the Philippines may be granted Philippine citizenship by administrative proceeding by filing a petition for citizenship with the Special Committee, which, in view of the facts before it, may approve the petition and issue a certificate of naturalization.¹⁴ In both cases, the petitioner shall take an oath of allegiance to the Philippines as a sovereign nation.

It is a well-entrenched rule that Philippine citizenship should not easily be given away.¹⁵ All those seeking to acquire it must prove, to the satisfaction of the Court, that they have complied with all the requirements of the law. The reason for this requirement is simple. Citizenship involves political status; hence, every person must be proud of his citizenship and should cherish it. Naturalization is not a right, but one of privilege of the most discriminating, as well as delicate and exacting nature, affecting, as it does, public interest of the highest order, and which may be enjoyed only under the precise conditions prescribed by law therefor.¹⁶

Jurisprudence dictates that in judicial naturalization, the application must show substantial and formal compliance with the law. In other words, an applicant must comply with the jurisdictional requirements; establish his

¹¹ Fr. Joaquin G. Bernas, S.J., *The 1987 Constitution of the Republic of the Philippines: A Commentary*, 2009 ed., p. 629.

¹² *Id.* at 629-630.

¹³ Section 1, Article IV of the 1987 Constitution reads:

Section 1. The following are citizens of the Philippines:

- (1) Those who are citizens of the Philippines at the time of the adoption of this Constitution;
- (2) Those whose fathers or mothers are citizens of the Philippines;
- (3) Those born before January 17, 1973, of Filipino mothers, who elect Philippine citizenship upon reaching the age of majority; and
- (4) Those who are naturalized in accordance with law.

¹⁴ Republic Act No. 9139 entitled "An Act Providing for the Acquisition of Philippine Citizenship for Certain Aliens by Administrative Naturalization and for Other purposes".

¹⁵ *Tochip v. Republic*, 121 Phil. 248, 250 (1965).

¹⁶ *Cuaki Tan Si v. Republic*, 116 Phil. 855, 857 (1962).

or her possession of the qualifications and none of the disqualifications enumerated under the law; and present at least two (2) character witnesses to support his allegations.¹⁷ Section 2 of the Naturalization Law clearly sets forth the qualifications that must be possessed by any applicant, *viz*:

Section 2. Qualifications. – Subject to section four of this Act, any person having the following qualifications may become a citizen of the Philippines by naturalization:

First. He must be not less than twenty-one years of age on the day of the hearing of the petition;

Second. He must have resided in the Philippines for a continuous period of not less than ten years;

Third. He must be of good moral character and believes in the principles underlying the Philippine Constitution, and must have conducted himself in a **proper and irreproachable manner** during the entire period of his residence in the Philippines in his relation with the constituted government as well as with the community in which he is living.

Fourth. He must own real estate in the Philippines worth not less than five thousand pesos, Philippine currency, or **must have some known lucrative trade, profession, or lawful occupation**;

Fifth. He must be able to speak and write English or Spanish and any one of the principal Philippine languages;

Sixth. He must have enrolled his minor children of school age, in any of the public schools or private schools recognized by the Office of Private Education¹ of the Philippines, where the Philippine history, government and civics are taught or prescribed as part of the school curriculum, during the entire period of the residence in the Philippines required of him prior to the hearing of his petition for naturalization as Philippine citizen.

[Emphasis supplied]

¹⁷ Section 7. *Petition for citizenship.* – Any person desiring to acquire Philippine citizenship shall file with the competent court, a petition in triplicate, accompanied by two photographs of the petitioner, setting forth his name and surname; his present and former places of residence; his occupation; the place and date of his birth; whether single or married and the father of children, the name, age, birthplace and residence of the wife and of each of the children; the approximate date of his or her arrival in the Philippines, the name of the port of debarkation, and, if he remembers it, the name of the ship on which he came; a declaration that he has the qualifications required by this Act, specifying the same, and that he is not disqualified for naturalization under the provisions of this Act; that he has complied with the requirements of section five of this Act; and that he will reside continuously in the Philippines from the date of the filing of the petition up to the time of his admission to Philippine citizenship. The petition must be signed by the applicant in his own handwriting and be supported by the affidavit of at least two credible persons, stating that they are citizens of the Philippines and personally know the petitioner to be a resident of the Philippines for the period of time required by this Act and a person of good repute and morally irreproachable, and that said petitioner has in their opinion all the qualifications necessary to become a citizen of the Philippines and is not in any way disqualified under the provisions of this Act. The petition shall also set forth the names and post-office addresses of such witnesses as the petitioner may desire to introduce at the hearing of the case. The certificate of arrival, and the declaration of intention must be made part of the petition.

The contention in this case revolves around the following points:

1. the sufficiency of Karbasi's income for purposes of naturalization;
2. the effect of the alleged discrepancy in the amounts of his gross income as declared in his ITRs, on one hand, and in his petition for naturalization on the other; and
3. the necessity of proving reciprocity between Iranian and Philippine laws on naturalization.

The Court resolves these issues *in seriatim*.

First. A reading of the OSG's pleadings discloses that its position arose out of a comparison made between Karbasi's declared income and the amounts reflected in the Data on Annual Income and Expenditure in Western Mindanao issued by the NSCB. The OSG also invokes the past rulings of the Court where the concept of "lucrative trade, trade, profession or lawful occupation" was explained in this wise:

It means not only that the person having the employment gets enough for his ordinary necessities in life. It must be shown that the employment gives one an income such that there is an appreciable margin of his income over his expenses as to be able to provide for an adequate support in the event of unemployment, sickness, or disability to work and thus avoid one's becoming the object of charity or a public charge. His income should permit him and the members of his family to live with reasonable comfort, in accordance with the prevailing standard of living, and consistently with the demands of human dignity, at this stage of our civilization.¹⁸

A long line of cases reveals that the Court did not hesitate in reversing grants of citizenship upon a showing that the applicant had no lucrative income and would, most likely, become a public charge. A summary of some of these notable cases is in order:

1. *In the Matter of the Petition for Admission to Philippine Citizenship of Engracio Chan also known as Nicasio Lim*.¹⁹—The Court found that the petitioner, who was a salesman at the Caniogan Sari-Sari and Grocery Store, then located in Pasig, Rizal, from which he received a monthly salary of ₱200.00, with free board and lodging, had no lucrative income. Even if the petitioner was then an unmarried man without dependents, a monthly income of ₱200.00 with free board and lodging, was

¹⁸ *Republic v. Ong*, G.R. No. 175430, June 18, 2012, 673 SCRA 485, 499, citing *Tan v. Republic*, 121 Phil. 643, 647 (1965) and *In the Matter of the Petition of Ban Uan*, 154 Phil. 552, 554 (1974).

¹⁹ 17 Phil. 475 (1966).

not considered gainful employment. Further, there was no proof that he was legally authorized to use an *alias* and his use thereof, being in violation of the Anti-Alias Law, was indicative of a reproachable conduct.

2. *In the Matter of the Petition of Antonio Po to be admitted a Citizen of the Philippines.*²⁰— The Court found Antonio Po, then single and employed as collector of the Surigao Chamber of Commerce as without lucrative income on the ground that his employment had so long depended upon the selection of the succeeding presidents of the chamber and that he then got free board and lodging by living with his widowed mother. Simply put, there was not enough stability in his claimed salary. His additional income gained from helping his mother to run a store was also insufficient to satisfy the law, in the amount and in its steadiness. His free board and lodging pretense was also discerned as indicative of dependence upon his mother for support.
3. *In the Matter of the Petition of Tanpa Ong Alias Pedro Tan to be admitted a Citizen of the Philippines.*²¹— The income of the applicant as contemplated in the naturalization law was only ₱3,000.00 a year. Considering that he had a wife and seven children to support, this income was held as insufficient to meet the high cost of living at that time.
4. *Keng Giok v. Republic.*²²— The Court held that an income of ₱9,074.50 per annum was not sufficient for a married applicant with a wife and five children to support.
5. *Sy Ang Hoc vs. Republic.*²³— The Court held that his income, derived from employment in a business enterprise of the petitioner's father, was not sufficient to establish compliance with the statutory requirement of lucrative occupation or calling.
6. *In the Matter of the Petition to be admitted a Citizen of the Philippines by Pantaleon Sia alias Alfredo Sia.*²⁴—The Court ruled that the determination of lucrative income or occupation should be reckoned as of the time of the filing of the petition. The Court decided against the petitioner as his regular salary was not ample enough to defray his family's expenses. The excess amounts representing his bonuses and commissions should not be considered in determining whether or not petitioner had a lucrative income or occupation.

With the pronouncements in these cases in mind, the comparison made by the OSG now begets another question: can the possession of an

²⁰ 122 Phil. 943 (1965).

²¹ No. L-20605, June 30, 1966, 17 SCRA 535.

²² 112 Phil. 986 (1961).

²³ 111 Phil. 489 (1961).

²⁴ No. 20290, August 31, 1965, 14 SCRA 1003.

applicant's lucrative trade, profession or lawful occupation, for purposes of naturalization, be fairly determined through a simplistic read-through on government data?

The Court answers in the negative.

While it is true that a naturalization case is not an ordinary judicial contest to be decided in favor of the party whose claim is supported by the preponderance of the evidence, this does not accord infallibility on any and all of the OSG's assertions. If this were the case, the rules of evidence might as well be brushed aside in order to accord conclusiveness to every opposition by the Republic. Needless to state, the Court still has the final authority and duty to evaluate the records of proceedings *a quo* and decide on the issues with fair and sound judgment.

Here, it is clear that the circumstances prevailing in the above-cited cases are not at all attendant in Karbasi's situation. There was neither a showing that Karbasi was dependent on another person for support nor proof that his family's extraordinary expenses that would render his income as inadequate. As in any other business venture, the risk of losses is a possibility for his repair shop but, still, this risk was not clearly established to render his livelihood as unstable and volatile. In fact, the OSG does not belie the fact that Karbasi has been engaged by reputable companies for his services. Conversely, the findings of the RTC would indicate that Karbasi had indeed exhibited industry and hard work in putting up his repair shop business and that his wife considered him as a good provider, not to mention a vocational and college degree holder. Admittedly, testimonies in favor of an applicant for naturalization are expected to be self-serving. Nevertheless, the Court finds it difficult to agree with the OSG's meager use of government data to prove that Karbasi would become a burden to the Philippine society in the future. Except for its own citation of government data, nothing else was presented to establish that Karbasi had indeed no lucrative income or trade to support himself and his family.

To accept the OSG's logic is a dangerous precedent that would peg the compliance to this requirement in the law to a comparison with the results of research, the purpose of which is unclear. This is not to say that the data produced by government research are inappropriate, or much less irrelevant in judicial proceedings. The plain reliance on this research information, however, may not be expected to produce the force of logic which the OSG wants to attain in this case. Besides, had the law intended for government data on livelihood and income research to be used as a gauge for the "lucrative income" requirement, it must have stated the same and foreclosed the Court's power to assess existing facts in any given case. Here,

the Court opts to exercise this power and delve into a judicious review of the findings of the RTC and the CA and, as explained, to rule that Karbasi, possesses a lucrative income and a lawful occupation, as required by the Naturalization Law.

At this point, it is worthy to note the Court's ruling in *Republic v. Court of Appeals and Chua*²⁵ (*Chua*), where the Court assessed the prevailing circumstances of an applicant for naturalization who was a medical student at the time of the filing of her petition. In *Chua*, the Court rejected the Republic's argument that the applicant's status as a subsequent passer of the Board Examinations of 1985 for Doctors of Medicine could not by itself be equated with "gainful employment or tangible receipts." The Court held that this interpretation of the income requirement in the law is "too literal and restrictive." It then cited *Uy v. Republic*,²⁶ where the Court laid down the public policy underlying the lucrative income requirement as follows:

[T]he Court must be satisfied that there is reasonable assurance not only that the applicant will not be a social burden or liability but that he is a potential asset to the country he seeks to adopt for himself and quite literally, for his children and his children's children.

The Court, in *Chua*, continued:

The economic qualification for naturalization may be seen to embody the objective of ensuring that the petitioner would not become a public charge or an economic burden upon society. The requirement relates, in other words, not simply to the time of execution of the petition for naturalization but also to the probable future of the applicant for naturalization. In the case at bar, the Solicitor General does not dispute that respondent applicant, then a student, was earning ₱2,000.00 a month, with free board and lodging, at the time she filed her Petition in August 1984. While this amount was not, even in 1984, exactly a princely sum, she was not then a public charge and the respondent applicant having passed the qualifying medical board examinations, can scarcely be regarded as likely to become a public charge in the future should she be admitted as a citizen of this Republic. Respondent is certainly in a position to earn substantial income if allowed to exercise her profession. Being a Doctor of Medicine, she is also clearly a "potential asset to the country."²⁷

As in *Chua's* case, it does not at all seem likely that Karbasi, in his current circumstances, will ever become a public charge. It bears emphasis to note that from a refugee who had nothing when he came to the

²⁵ 249 Phil. 84 (1988).

²⁶ 120 Phil. 973, 975.

²⁷ *Supra* note 25, at 88-89.

Philippines, Karbasi had indeed refused to be the object of charity by working hard to graduate from college and to eventually engage in business to give his family support and comfort. The CA could not have explained this in better terms—

Thus, Karbasi went from being a refugee – who was dependent on the UNCHR for support – to a self-made entrepreneur who can ably support himself and his family. As such, there is no showing that Karbasi may turn out to be a public charge and a burden to our country’s resources. The fact moreover that he overcame this adversity through his education and skills shows that he is a potential asset of the country.

Second. The OSG raised the issue of Karbasi’s alleged underdeclaration of income in his ITRs. It contended that even if Karbasi had, indeed, a lucrative means of earning, his failure to declare the income which he had earned from service contracts and to present any proof of the withholding of the taxes thereon, would reflect adversely on his conduct, which under the statute must be “proper and irreproachable.” The OSG cited *Lim Eng Yu v. Republic*²⁸ (*Lim Eng Yu*), where the applicant later refuted the amounts reflected in his ITRs in order to prove that he had lucrative trade or occupation. The Court rebuffed this “eleventh hour explanation” and concluded that the applicant had to conceal his true income for the purpose of evading payment of lawful taxes. The Court found that Lim Eng Yu, at that time, had a wife and two children, so, at most, his total tax exemption then, was ₱5,000.00. Had he stated the net incomes he claimed in his ITRs, he would have been required to pay income taxes, it appearing that the same exceeded his exemption under the law. Such conduct showed that Lim Eng Yu’s moral character was not irreproachable, or as good as it should be, thus, disqualifying him for naturalization.

Like the CA, the Court is inclined not to apply the rigidity of the ruling in *Lim Eng Yu* to the present case. Unlike *Lim Eng Yu*, Karbasi **did not deny** the charge of the OSG and instead admitted a procedural lapse on his part. Here, there is no showing that the income earned by Karbasi was undeclared in order to benefit from statutory tax exemptions. To clarify, this does not intend to downplay the requirement of good moral character in naturalization cases. It bears stressing that the granting of applications for naturalization still necessitates that only those who are deserving may be admitted as Filipino citizens. The character of the applicant remains to be one of the significant measures to determine entitlement to Filipino citizenship. Nonetheless, the tenor of the ground used for the denial of the application in *Lim Eng Yu* is not akin to what happened in this case.

²⁸ 124 Phil. 478 (1966).

Clearly, in *Lim Eng Yu*, the petitioner altogether intended to evade the payment of taxes by abusing the benefits granted by tax exemptions. In this case, Karbasi did not deny that he gained income through his transactions with Daewoo and Kolin. He even presented, as evidence, the contracts of service he had entered into with the companies including a Summary of Accounts paid to his repair shop. He **did not disclaim** that he had rendered services to these companies and that he had earned a considerable sum therefrom. Instead, he explained the cause of his lapse and acknowledged his mistaken belief that his earnings from these transactions need not be declared in his ITRs as these were withheld already.

Again, it is not the objective of the Court to justify irregularities in ITRs by reason of a “mistaken belief.” The Court, however, finds it difficult to equate Karbasi’s lapse with a moral depravity that is fatal to his application for Filipino citizenship. This mistaken understanding of the proper way to declare income is actually so common to individual taxpayers, including lawyers and other professionals. While this is not to be taken as an excuse for every irregularity in ITRs, the Court is not prepared to consider this as an outright reflection of one’s immoral inclinations. With due consideration to his character as established by witnesses, and as observed by the RTC during the hearings, Karbasi should be deemed to have sufficiently explained his mistake.

In the case of *Chua*, the Court had even disregarded the OSG’s argument that the applicant’s failure to execute her ITR “reflects adversely on her conduct.” Her explanation of non-filing as an “honest mistake” was accepted by the Court with due regard to the other circumstances of her case. Like the CA, the Court also finds the same degree of sincerity in Karbasi’s case, for he was candid enough to elicit this conclusion. Besides, there was no suggestion in the records that Karbasi habitually excluded particular income in his ITRs. Echoing the findings in *Chua*, the Court does not believe that this one lapse should be regarded as having so blackened Karbasi’s character as to disqualify him from naturalization as a Philippine citizen.

Third. Considering the above disquisitions, the Court does not need to belabor the last issue on reciprocity between Iranian and Philippine laws on naturalization. True, the Naturalization Law disqualifies citizens or subjects of a foreign country whose laws do not grant Filipinos the right to become naturalized citizens or subjects. A perusal of Karbasi’s petition, both with the RTC and the CA, together with his supplemental pleadings filed with the Court, however, reveals that he has successfully established his refugee status upon arrival in the Philippines. In effect, the country’s obligations under its various international commitments come into operation. Articles 6 and 34 of the 1951 Convention relating to the Status of Refugees, to which the Philippines is a signatory, must be considered in this case, to wit:

Article 6 of the 1951 Convention:

For the purposes of this Convention, the term “in the same circumstances” implies that any requirements (including requirements as to length and conditions of sojourn or residence) which the particular individual would have to fulfill for the enjoyment of the right in question, if he were not a refugee, must be fulfilled by him, with the exception of requirements which by their nature a refugee is incapable of fulfilling.

Article 34 of the 1951 Convention:

The **Contracting States** shall as far as possible **facilitate the assimilation and naturalization of refugees**. They shall in particular **make every effort to expedite naturalization proceedings** and to reduce as far as possible the charges and costs of such proceedings.

In the same vein, Article 7²⁹ of the said Convention expressly provides exemptions from reciprocity, while Article 34 states the earnest obligation of contracting parties to “as far as possible facilitate the assimilation and naturalization of refugees.” As applied to this case, Karbasi’s status as a refugee has to end with the attainment of Filipino citizenship, in consonance with Philippine statutory requirements and international obligations. Indeed, the Naturalization Law must be read in light of the developments in international human rights law specifically the granting of nationality to refugees and stateless persons.

WHEREFORE, the petition is **DENIED**.

SO ORDERED.



JOSE CATRAL MENDOZA
Associate Justice

²⁹ **Exemption from reciprocity-** 1. Except where this Convention contains more favourable provisions, a Contracting State shall accord to stateless persons the same treatment as is accorded to aliens generally
2. After a period of three years residence, all stateless persons shall enjoy exemption from legislative reciprocity in the territory of the Contracting States.
3. Each Contracting State shall continue to accord to stateless persons the rights and benefits to which they were already entitled, in the absence of reciprocity, at the date of entry into force of this Convention for that State.
4. The Contracting States shall consider favourably the possibility of according to stateless persons, in the absence of reciprocity, rights and benefits beyond those to which they are entitled according to paragraphs 2 and 3, and to extending exemption from reciprocity to stateless persons who do not fulfil the conditions provided for in paragraphs 2 and 3.
5. The provisions of paragraphs 2 and 3 apply both to the rights and benefits referred to in articles 13, 18, 19, 21 and 22 of this Convention and to rights and benefits for which this Convention does not provide.

WE CONCUR:



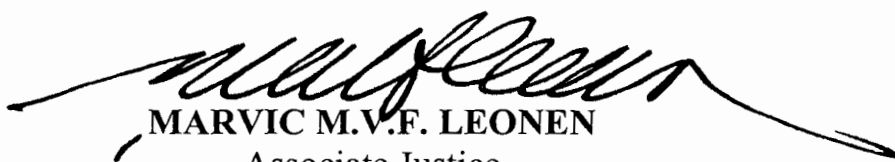
ANTONIO T. CARPIO
Associate Justice
Chairperson



ARTURO D. BRION
Associate Justice



ESTELA M. PERLAS-BERNABE
Associate Justice



MARVIC M.V.F. LEONEN
Associate Justice

CERTIFICATION

Pursuant to Section 13, Article VIII of the Constitution, 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.



ANTONIO T. CARPIO
Acting Chief Justice