

## 1. What is A.M. No. 08-8-7-SC or the “Rule of Procedure for Small Claims Cases”?

It is a special rule of procedure adopted by the Supreme Court pursuant to its rule-making power under Sec. 5(5) of Article VIII of the 1987 Constitution, to govern small claims cases and is to be piloted in designated first level courts (Metropolitan Trial Courts, Municipal Trial Courts in Cities, Municipal Trial Courts and Municipal Circuit Trial Courts). This rule allows a plaintiff (the person suing) to sue a defendant (the person being sued) without the need of a lawyer.

This new rule becomes effective on 1 October 2008.

## 2. What is the purpose of small claims process?

The purpose of a small claims process is to provide a simpler and a more inexpensive and expeditious means of settling disputes involving purely money claims than the regular civil process.

## 3. What are the distinct features of a small claims process?

Inexpensiveness, informality, and simplicity. Every aspect of the process is designed to allow a person to handle his/her own case from start to finish quickly and inexpensively. There are ready-made forms available and strict procedural rules, including the rules of evidence, do not apply. Hence, there is no need for a lawyer.

## 4. What are “small claims cases”?

These are civil claims which are exclusively for the payment or reimbursement of a sum of money not exceeding P100,000.00.



## 5. What are “small claims courts”?

These are first level courts (Metropolitan Trial Courts, Municipal Trial Courts in Cities, Municipal Trial Courts and Municipal Circuit Trial Courts). They hear and decide small claims cases following this new rule of procedure.

## 6. Does the new rule on small claims cases create new courts?

No. The new rule simply provides a procedure for prosecuting, defending, and adjudicating small claims cases, which by law are already within the jurisdiction of first level courts.

To jumpstart the launch of this new rule, the Supreme Court issued Administrative Order (A.O.) No. 141-2008 designating 22 first level courts all over the country as pilot courts to hear and decide small claims cases, in accordance with the new rule of procedure for small claims cases.

Thus, upon the effectivity of A.O. No. 141-2008, all small claims cases filed in the station of these pilot courts shall be assigned immediately to the said courts.

Three (3) months after the implementation of this rule, an initial assessment shall be undertaken by the Technical Working Group (TWG) on Small Claims Court Pilot Project. Six (6) months thereafter, a final assessment and project review shall be submitted to recommend the feasibility of applying this rule to all small claims cases in all first level courts.



## 7. What is the scope of the rule?

The rule only covers cases in first level courts involving purely money claims where the value of the claim/s does not exceed One Hundred Thousand Pesos (P100,000.00) and does not include interest and costs. (Sec. 2)

## 8. What kinds of claims or demands are covered by this rule?

Typical claims include actual damages caused to vehicles, other personal property, real property or person. Money owed under a contract of lease, contract of loan, contract of services, contract of sale, or contract of mortgage, may also be demanded.

It also includes purely civil actions for payment of money covered by a bounced or stopped check.

An amicable settlement reached in the *barangay* or an arbitration award involving a money claim may also be enforced under this rule.

## 9. Can separate claims be combined in one case?

Yes. The plaintiff may combine in a single statement of claim, one or more separate small claims against the same defendant provided that the total amount claimed, exclusive of interest and costs, does not exceed P100,000.00. (Sec. 6)

## 10. What kinds of actions or claims or demands are excluded under this rule?

Criminal actions are excluded because of certain limitations or mandatory requirements under the 1987 Constitution, particularly Sec. 14(2) of Article III (Bill of Rights), which grants the accused in all criminal prosecutions “the right to be heard by himself and counsel.” Thus, a case for libel or slander cannot be filed in a small claims court. However, the civil aspect of a criminal action which seeks recovery of money as damages may be heard as a small claim if reserved or instituted separately prior to the filing of the criminal case.

There are also some kinds of civil cases that cannot be brought to a small claims court no matter how little the amount is involved. Examples of these are a suit to force a person to fix a damaged good, or a demand for the fulfillment of an obligation which is not purely for money.

## 11. How does one start a small claims case?

The plaintiff must first accomplish a verified Statement of Claim (Form 1-SCC) and certify the information provided, stating that he/she has not filed any action involving the very same issue in any other court, tribunal or agency through a Verification and Certification of Non-Forum Shopping (Form 1-A-SCC).

The Statement of Claim must be accompanied by certified duplicate photocopies of all supporting documents (i.e. contract, promissory note, affidavit/sworn statement of witnesses, pictures, receipts, etc...)

The plaintiff then files the Statement of Claim with its accompanying documents with the small claims court, personally or through mail, and pays the correct docket and filing fees. (Sec. 5)

## 12. Are there filing fees to be paid for small claims cases?

Yes, the plaintiff or defendant shall pay the docket and other legal fees prescribed under Rule 141 of the Revised Rules of Court at the time of the filing of the Statement of the Claim with the Office of the Clerk of Court.

If you do not have money to pay the fees because of your financial status, you may apply to the small claims court to qualify as an indigent, and once you qualify as an indigent you are exempt from payment of such fees. (Sec. 8)

## 13. Even if declared as an indigent, is a person still required to pay P1,000.00 for service of summons and processes?

Yes. Even if declared as an indigent, a person is not exempt from payment of the P1,000.00 fee for service of summons and processes in civil cases. (Sec. 8)

## 14. Once a Statement of Claim is filed in the small claims court, may the court dismiss the case at its own instance?

Yes. The court may dismiss the case outright when any grounds for the dismissal of a civil case is apparent or obvious from the Statement of Claim and supporting documents. (Sec. 9)

## 15. What is the duty of the court after a plaintiff files a Statement of Claim and it does not find any ground to dismiss the claim?

The court informs the defendant that a case has been filed against him/her through the issuance of Summons (Form 2-SCC) on the day of the receipt of the Statement of the Claim and accompanying documents. Through the Summons, the court directs the defendant to file his/her verified Response (Form 3-SCC) as well as other supporting documents or evidence, within a non-extendible period of ten (10) days from its receipt.

The court also serves a Notice of Hearing (Form 4-SCC) to both parties, directing them to appear before it on a specific date and time, with a warning that no unjustified postponement shall be allowed. (Sec. 10)

The Summons and Notice of Hearing must be accompanied by a copy of the Statement of Claim and documents submitted by plaintiff, and a copy of the Response to be accomplished by the defendant. (Sec. 10)

## 16. After a defendant has received the summons and notice from the court, what is he/she required to submit?

The defendant shall file with the court a duly-accomplished and verified Response together with proof that he/she has served such Response to plaintiff within the prescribed period.

The Response shall also be accompanied by certified copies of documents and the affidavits of witnesses and other evidence in support thereof. (Sec. 11)

## 17. What is the effect if a defendant fails to file a Response within the prescribed period for filing?

The court decides the case based on the facts alleged in the Statement of Claim and the supporting documents attached to it. (Sec. 12)

## 18. Instead of filing a Response, can a defendant file a motion to dismiss the claim?

No. The filing of a motion to dismiss instead of a response is prohibited under the rule, except on ground of lack of jurisdiction. (Sec. 14)

## 19. What is a counterclaim?

A counterclaim is a claim which a defendant files against the person who sues him (plaintiff). Similar to a claim, a counterclaim must seek the recovery of money only.

If a defendant believes that he/she is entitled to be paid money by the plaintiff, such defendant must include this counterclaim in his/her Response.

## 20. What happens when a defendant fails to include a counterclaim in his/her Response?

If the counterclaim is related to the plaintiff's claim, or arose out of it (the legal term is “compulsory counterclaim”), it must be raised in the same case. Otherwise, it will be barred.

## 21. Apart from a motion to dismiss a claim, are there other pleadings, motions, or petitions that cannot be filed?

Yes. These are the prohibited pleadings in Sec. 14 of this rule.

## 22. Who are required to appear at the hearing?

The parties shall appear at the hearing personally or through a representative they may authorize under a Special Power of Attorney (Form 5-SCC) to enter into an amicable settlement, to submit to Judicial Dispute Resolution (JDR) and to enter into stipulations or admissions of facts and of documentary exhibits. (Sec. 16)

## 23. Are lawyers allowed at the hearing?

No, lawyers are not allowed to appear at the hearing unless they are the plaintiff or the defendant.

## 24. Does this mean that lawyers are not allowed throughout the small claims process?

No, lawyers are only not allowed to appear at the hearing of the case. Since the process is still a legal process, the parties and their authorized representatives can still consult with a lawyer to assist them to prepare for the hearing or for other matters outside the hearing. (Sec. 17)

## 25. Who is allowed to assist a party who cannot properly present his/her claim or defense?

The court, in its discretion, may allow another individual who is not a lawyer to assist the party. (Sec. 17)

## 26. What happens if the parties do not appear at the hearing?

If the plaintiff does not appear, the claim shall be dismissed without prejudice.

If the defendant does not appear, the effect will be the same as failure to file a Response under Sec. 12 of this rule.

If both parties do not appear, the claim and counterclaim shall be dismissed with prejudice. (Sec. 18)

## 27. When is postponement of a hearing allowed?

It 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. 19)



**28. What is the role of the judge designated to hear small claims cases?**

In small claims cases, the role of the judge is to ascertain the factual matters at issue and to elicit the evidence—all in one hearing, and render a decision thereafter. The judge shall encourage the parties to settle by employing the different modes of Judicial Dispute Resolution (JDR).



**29. How does the judge employ the modes of JDR?**

The judge who employs JDR – as understood within the context of the rule of procedure for small claims cases – should be confined to exerting efforts in helping the parties arrive at an amicable settlement through mediation, conciliation, early neutral evaluation, or any other mode of JDR. This means the judge shall use any mode to try and bring about an amicable settlement between the parties.

Any settlement or resolution of the dispute, shall be reduced into writing, signed by the parties, and submitted to the court for approval. (Sec. 21)



**30. What happens when JDR fails?**

When JDR fails, the parties may agree in writing that the JDR judge shall hear and decide the case. The JDR judge shall proceed with the hearing in an informal and expeditious manner, which shall be terminated within one (1) day.

However, if the parties do not agree, the JDR judge shall refer the case to the pairing judge for hearing and decision. (Sec. 22)

**31. What is the job of the pairing judge?**

The pairing judge shall hear and decide the case within five (5) working days from referral.

**32. Is an appeal of a decision allowed?**

No. A decision in small claims cases is final and unappealable. (Sec. 23)

**33. Does this not violate the right to due process?**

No. The right of appeal is not a natural right or a part of the constitutionally guaranteed right to due process. It is merely a statutory privilege and a procedural remedy of statutory origin, which may be exercised only in the manner and in accordance with the provisions of the law authorizing such exercise.

The declaration that the decision is final and unappealable is in line with the nature of small claims which is designed to preclude unnecessary or unmeritorious appeals that result in long drawn litigation for cases of this nature, pursuant to the Supreme Court’s constitutional mandate to enact rules of procedure.

*This FAQ provides general information about the new Rule of Procedure for Small Claims Cases. It is not intended to provide or take the place of future interpretations of the Court.*

**34. Does the law authorize the Supreme Court to dispense with the right to appeal from the first level courts to the Regional Trial Courts (RTCs)?**

Yes, under Sec. 36 of B.P. 129 as amended, “The Judiciary Reorganization Act of 1980”, the Supreme Court shall adopt special rules or procedures applicable to cases requiring summary disposition in order to achieve an expeditious and inexpensive determination thereof without regard to technical rules.

Furthermore, under Sec. 38 of the same law, appeals to RTCs shall be in accordance with the procedure prescribed by law, and by such rules as the Supreme Court may prescribe.

**35. What then is the remedy of a party when the decision is final and unappealable?**

The rule does not preclude a party from filing a petition for *certiorari* under Rule 65 of the Revised Rules of Court when there is grave abuse of discretion amounting to lack or excess of jurisdiction in relation to a judgment in a small claims action (such a petition is prohibited with regard to interlocutory orders).

Further, the aggrieved party can also file an action for annulment of judgment when the requirements under the Rules of Civil Procedure are complied with.

**36. Will the Rules of Civil Procedure apply?**

Yes, the Rules of Civil Procedure shall apply to those matters not covered by the new rule, insofar as they are not inconsistent with it. (Sec. 25)

For example, the Rules of Civil Procedure are applicable to issues of jurisdiction, venue on personal actions, prescription, parts of a pleading, presence or absence of cause of action, legal standing of parties to file the action, consolidation of actions, adjournments and postponements, grounds for dismissal including the fact that a condition precedent for filing the claim has not been complied with (i.e. prior conciliation before the *katarungang pambarangay*).

**37. Are not the small claims cases effectively governed by the Rule on Summary Procedure, Court-Annexed Mediation, and the Pre-Trial Rule?**

Yes. The small claims cases, being purely money claims of P100,000.00 or less are covered under the Rule on Summary Procedure. However, with the effectivity of this new rule, the court, in actions filed as small claims cases, shall now apply the more specific procedure under this new rule.

By way of illustration, if a defendant files an answer called a Response to the claim, the court shall schedule only one (1) hearing for the purpose of encouraging the parties to settle without the appearance of lawyers, to hear the statement of the parties under oath, and to consider all documentary evidence of the parties. After such hearing, the court will also issue the decision on the same day.

By providing more immediate and swifter justice, this new rule enhances the effectivity of the Rule on Summary Procedure, Court-Annexed Mediation, and the Pre-Trial Rule, and in effect, increases access to justice for the poor and disadvantaged members of our society.



**SMALL CLAIMS CASES:**  
*Inexpensive. Informal. Simple.*  
*Increased access to justice for all.*



*Small Claims Cases* are civil claims which are exclusively for the payment or reimbursement of a sum of money **not exceeding P100,000.00.**

In *Small Claims Cases*, ordinary litigants can prosecute and defend a small claims action **without the participation of lawyers.**



**22 first level courts all over the country** have been designated as small claims courts to jump-start the pilot project.

In *Small Claims Cases*, judges ascertain the factual matters at issue and elicit the evidence—**all in one hearing**, and render a decision thereafter.

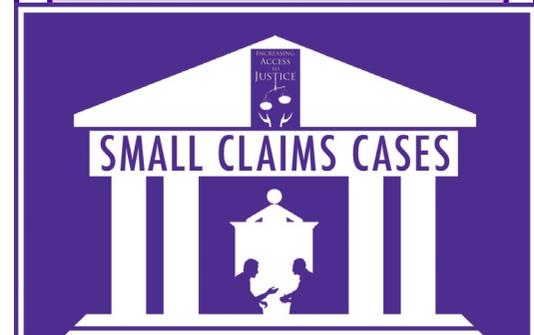


Judges who employ JDR in *Small Claims Cases* exert efforts to help the parties arrive at an amicable settlement through mediation, conciliation, early neutral evaluation, or any other mode of JDR.

**Supreme Court Public Information Office**  
3rd Floor, New SC Building Office Annex  
Padre Faura St., Ermita, Manila 1000  
Telephone Nos. 522-5090 to 94 Telefax 526-8129  
pio@supremecourt.gov.ph  
www.supremecourt.gov.ph



**FAQs**



**Frequently Asked Questions**  
**A.M. No. 08-8-7-SC**  
**Rule of Procedure for Small Claims Cases**

The small claims court pilot project is a program of the Supreme Court in partnership with USAID and ABA-ROLI

