REPUBLIC OF THE PHILIPPINES
Court of Tax Appeals
QUEZON CITY

Second Division

D'REDEEMERS SIGHT CORP.,
Petitioner,

-versus-

COMMISSIONER OF INTERNAL REVENUE,
Respondent.

CTA CASE NO. 12005

Members:
RINGPIS-LIBAN, *Chairperson,*
MODESTO-SAN PEDRO, *and*
FERRER-FLORES, *JJ.*

Promulgated:
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RESOLUTION

Before the Court is a *Petition for Review*, filed on June 25, 2025, asking that the Court void the assessment against petitioner for taxable year 2017.

According to petitioner, respondent issued a Preliminary Assessment Notice against it on August 24, 2020, to which it replied on September 15, 2020. Petitioner then received a Final Assessment Notice/Formal Letter of Demand ("FAN/FLD") on October 20, 2020.

Rather than protest the FAN/FLD, petitioner applied for a compromise settlement on July 2, 2021. It then received respondent's Notice of Denial on June 13, 2025. This prompted it to file the present Petition before Us.

The Petition must be dismissed for lack of jurisdiction.

Under *Section 7 of Republic Act No. 1125, as amended*, this Court has jurisdiction over, among others, decisions of the Commissioner of Internal Revenue in cases involving "disputed assessments" and "other matters":

> SEC. 7. Jurisdiction. — The CTA shall exercise:
>
> (a) Exclusive appellate jurisdiction to review by appeal, as herein provided:

> (1) Decisions of the Commissioner of Internal Revenue in cases involving *disputed assessments*, refunds of internal revenue taxes, fees or other charges, penalties in relation thereto, or *other matters* arising under the National Internal Revenue Code or other laws administered by the Bureau of Internal Revenue;
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> . . . .

(Italics supplied.)

As if already aware of this Court's lack of jurisdiction, petitioner invokes the "other matters" enumerated above, implicitly arguing that this Court can take cognizance of its appeal against the *assessment* despite the Petition being filed as a response to the denial of its application for *compromise*.

This is mistaken. The Court observes that petitioner's sole prayer is for Us to declare the assessment void. Likewise, its sole argument concerns the assessment, as issued in the FAN/FLD. The Petition thus raises a case involving an *assessment*, not one involving a *matter* that is *other than* assessments and refunds. As such, the question of this Court's jurisdiction should be evaluated in the context of disputed assessments.

However, there is no Decision on a disputed assessment against which petitioner can appeal here. The Notice of Denial concerns petitioner's application for compromise settlement, which is related to but distinct from the assessment. Petitioner also cites no jurisprudence showing that such denials of applications for compromise settlement can be treated as decisions on disputed assessments.

Indeed, there is no disputed assessment, as petitioner filed no protest against the FLD/FAN. Its application for compromise settlement is not a valid protest to an assessment as contemplated by *Section 228 of the National Internal Revenue Code of 1997, as amended* ("*NIRC*"), or by *Revenue Regulations* ("*RR*") *No. 12-99, as amended by RR No. 18-13*, lacking the form and substance required by these. There being no valid dispute over the assessment, there was nothing on which respondent could decide. Consequently, there was no Decision on disputed assessment against which a Petition could be filed with this Court.

Assuming *arguendo* that an application for compromise settlement is a valid form of protest to an assessment, petitioner would still have failed to properly dispute said assessment. The *NIRC* and *RR No. 12-99, as amended by RR No. 18-13*, give taxpayers 30 days from receipt of a FAN/FLD within which to protest the same. Petitioner filed it application almost a year after receiving the FAN/FLD. Its "protest" was thus filed late.

This further shows that this Court lacks jurisdiction over the case. As petitioner failed to timely protest the FAN/FLD, the assessment against it has become final and executory. The Court can no longer declare it void.

Finally, neither can this Petition be considered a proper appeal against the denial of petitioner's application for compromise settlement, even when ignoring the fact that neither petitioner's sole argument nor its sole prayer involves the compromise settlement. While courts generally cannot interfere with an administrative agency's exercise of its discretionary powers, an exception is made when said agency "has gone beyond its statutory authority, has exercised unconstitutional powers or has clearly acted arbitrarily and without regard to [its] duty or with grave abuse of discretion."[1] Applied to respondent's rulings on applications for compromise settlement, then, this Court can review such decisions when the same are accompanied by a grave abuse of discretion or similar.[2] The present Petition was neither filed as one for *certiorari*, however, nor alleges any grave abuse of discretion involved in the denial of the application for compromise settlement specifically. It thus cannot be treated as a proper protest to the denial either.

The Court thus has no choice but to dismiss the Petition.

ACCORDINGLY, the instant *Petition for Review*, filed on June 25, 2025, is hereby **DISMISSED** for lack of jurisdiction.

SO ORDERED.

On leave
MA. BELEN M. RINGPIS-LIBAN
Associate Justice

MARIA ROWENA MODESTO-SAN PEDRO
Associate Justice

CORAZON G. FERRER-FLORES
Associate Justice

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[1] *Commissioner of Internal Revenue v. Pacific Hub Corporation*, G.R. No. 252944, November 27, 2024.

[2] *See Philippine National Oil Company v. The Hon. Court of Appeals*, G.R. Nos. 109976 & 112800, April 26, 2005.