REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

SECOND DIVISION

VANGUARD LOGISTICS SERVICES PHILS., INC.,
Petitioner,

- versus -

COMMISSIONER OF INTERNAL REVENUE,
Respondent.

CTA Case No. 10155

Members:

CASTAÑEDA, JR., *Chairperson,*
BACORRO-VILLENA, *and,*
CUI-DAVID, *JJ.*

Promulgated: JAN 27 2022
1:25 p.m.

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DECISION

BACORRO-VILLENA, J.:

At bar is a Petition for Review[1] filed by Vanguard Logistics Services Phils., Inc.[2] **(petitioner/VLSPI)** pursuant to Rule 8, Section 3(a)[3], in relation to Rule 4, Section 3(a)(2)[4] of the Revised Rules of the

[1] With Omnibus Motion to Suspend Collection of Taxes and to Dispense with the Requirement to Post Bond filed on 28 August 2019, Division Docket, Volume I, pp. 12-49.

[2] See Exhibit "P-1" (id., pp. 153 and 156) where petitioner's corporate names *per* its Certificate of Filing of Amended Articles of Incorporation and Amended Articles of Incorporation are "Vanguard Logistics Services Philippines Inc." and "Vanguard Logistics Services (Philippines), Inc.", respectively.

[3] **SEC. 3.** *Who may appeal; period to file petition.* – (a) A party adversely affected by a decision, ruling or the inaction of the Commissioner of Internal Revenue on disputed assessments or claims for refund of internal revenue taxes, or by a decision or ruling of the Commissioner of Customs, the Secretary of Finance, the Secretary of Trade and Industry, the Secretary of Agriculture, or a Regional Trial Court in the exercise of its original jurisdiction may appeal to the Court by petition for review filed within thirty days after receipt of a copy of such decision or ruling, or expiration of the period fixed by law for the Commissioner of Internal Revenue to act on the disputed assessments. In case of inaction of the Commissioner of Internal Revenue on claims for refund of

Court of Tax Appeals[5] (**RRCTA**). It seeks the nullification of the Formal Letter of Demand (**FLD**) No. 33-14-45089-18-206 dated 27 December 2018[6] issued in connection with its alleged internal revenue tax liabilities for taxable year (**TY**) 2014.

Petitioner is a domestic corporation duly organized and existing under and by virtue of Philippine laws, with principal office at 5th Floor Fly Ace Corporate Center, 13 Coral Way Central Business Park, Brgy. 76, Pasay City, Metro Manila, Philippines.[7]

Respondent Commissioner of Internal Revenue (**respondent/CIR**) is the duly appointed head of the Bureau of Internal Revenue (**BIR**), empowered under the Tax Code to authorize the examination of any taxpayer, assess the correct amount of tax, and decide disputed assessments arising under the laws administered by the BIR.[8]

The antecedent facts follow.

On 02 June 2016, petitioner received Letter of Authority (**LOA**) No. eLA201200045089/LOA 033-2016-00000179 dated 01 April 2016[9], together with the Checklist of Requirements dated 04 April 2016.[10]

On 11 January 2018, petitioner filed its Application for Registration Information Update (BIR Form No. 1905)[11] with Revenue

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internal revenue taxes erroneously or illegally collected, the taxpayer must file a petition for review within the two-year period prescribed by law from payment or collection of the taxes.

4 **SEC. 3.** *Cases within the jurisdiction of the Court in Divisions.* – The Court in Divisions shall exercise:

(a) Exclusive original over or appellate jurisdiction to review by appeal the following:

...

(2) Inaction by 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, where the National Internal Revenue Code or other applicable law provides a specific period for action: ...

5 A.M. No. 05-11-07- CTA dated 22 November 2005.

6 Exhibit "P-12", Division Docket, Volume I, pp. 212-213.

7 Exhibit "P-1", id., p. 158.

8 Paragraph 3, Petition for Review, id., p. 13.

9 Exhibit "P-3", id., p. 388.

10 Id., p. 387.

11 Exhibit "P-4", id., pp. 179-180.

District Office (**RDO**) No. 33 (Ermita-Intramuros-Malate-Port Area), to transfer its registration to RDO No. 51 (Pasay City).

Consequently, petitioner's Treasurer and authorized representative, Jose Ricky C. Petajen (**Petajen**), signed a notarized Transfer Commitment Form[12] (**TCF**) with the letterhead of BIR Revenue Region (**RR**) No. 6/RDO No. 33. Said TCF is a document accomplished under oath and submitted to the old RDO (in this case, RDO No. 33), stating that audit/investigation of all pending and/or open cases, if any, identified in the BIR's Integrated Tax System and other pending cases/applications from previous/old RDO shall be continued/settled in the new RDO with a request that said cases be forwarded to the new RDO for appropriate action.

On 11 April 2018, petitioner received a Notice of Informal Conference (**NIC**) dated 05 April 2018[13] from RDO No. 33. Petitioner responded to the alleged undue issuance of NIC through a letter dated 30 April 2018[14] contending that the latter has already relinquished its right to continue with the investigation as the said right has been transferred to RDO No. 51.

On 04 December 2018, petitioner received a Preliminary Assessment Notice[15] (**PAN**) from RR No. 6. Because of this, petitioner submitted a letter addressed to Regional Director Romulo L. Aguila, Jr. (**RD Aguilar**) reiterating that RDO No. 33, and by extension, RR No. 6 (as RDO No. 33 is under RR No. 6), have lost jurisdiction to investigate petitioner for TY 2014.[16]

On 02 January 2019, petitioner received the subject FLD[17] from RR No. 6. In response, petitioner filed a protest for reconsideration[18] on 31 January 2019.

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12 Exhibit "P-7", id., p. 197.
13 Exhibit "P-9", id., p. 199.
14 Exhibit "P-10", id., p. 414.
15 Exhibit "P-11", id., pp. 415-422.
16 Question and Answer (Q&A) No. 57, Judicial Affidavit of Atty. Virgelio T. Nibungco, id., p. 145.
17 Exhibit "P-12", supra at note 6.
18 Exhibit "P-13", id., pp. 224-229.

From the above, the BIR had one hundred eighty (180) days from the said filing date or until 30 July 2019 to act on the said protest.

As of the said date, petitioner received no action from BIR. Thus, petitioner had thirty (30) days therefrom or until 29 August 2019 within which to file an appeal before this Court should it opt to treat the same as denial by inaction.

On 28 August 2019, with still no decision from respondent on its protest, petitioner filed the instant Petition for Review[19] with this Court. The petition also carried an Omnibus Motion to Suspend Collection of Taxes and to Dispense with the Requirement to Post a Bond (**first Omnibus Motion**).

On 05 and 06 September 2019, summonses were served upon respondent and the Office of Solicitor General (**OSG**), respectively.[20]

On 19 September 2019, respondent filed an Urgent Motion for Extension of Time (To File Answer to the Petition for Review)[21], which the Court granted. The Court then extended the filing of respondent's Answer until 05 October 2019.[22]

On 16 October 2019[23], petitioner presented its witness, Atty. Virgelio T. Nibungco (**Atty. Nibungco**) in support of its first Omnibus Motion.[24]

Through his Judicial Affidavit[25], Atty. Nibungco testified that: (1) he is the President of petitioner; (2) the LOA[26] sought to be invalidated was served out of time or not within 30 days from its date of issuance pursuant to Revenue Audit Memorandum Order (**RAMO**) No. 1-00[27]; (3) it was issued on 01 April 2016 but was served to

19 Supra at note 1.
20 Return of Summons, Division Docket, Volume I, dorsal portion of p. 121.
21 Id., pp. 127-129.
22 See Order dated 24 September 2019, id., p. 130.
23 See Order dated 16 October 2019, id., pp. 346-347.
24 Filed with the Petition for Review, supra at note 1.
25 Division Docket, Volume I, pp. 135-152.
26 Supra at note 9.
27 Updated Handbook on Audit Procedures and Techniques Volume I (Revision —Year 2000).

petitioner only on 02 June 2016, as evidenced by the date of receipt written by Katherine Red Bobadilla (**Bobadilla**), petitioner's then receptionist; (4) aside from the fact that the subject LOA was not timely served, there is likewise no basis for RDO No. 33 and RR No. 6 (to which RDO No. 33 belongs) to investigate and issue the PAN and FLD because as early as January [2018], petitioner already transferred its registration to RDO No. 51 (Pasay City); (5) particularly, petitioner filed its Application for Registration Information Update (BIR Form No. 1905)[28] with RDO No. 33 on 11 January 2018; (6) petitioner filed, together with its BIR Form No. 1905, the TCF[29] which is a document accomplished under oath and submitted to the old RDO with an undertaking that audit/investigation of all pending and/or open cases, if any, from the previous/old RDO shall be continued or settled in the new RDO; (7) thereafter, RDO No. 33 issued an Indorsement stating that in connection with the approved request for transfer of registration from RDO No. 33 to 51, petitioner has open cases (including TY 2014 which is the subject of the instant petition); (8) in February 2018, a Certificate of Registration was issued to petitioner by RDO No. 51 (9) RDO No. 51 did not conduct any investigation and instead, RDO No. 33 continued the same; (10) petitioner was surprised to receive an NIC[30] from RDO No. 33; (11) thus, in response, petitioner sent a letter dated 30 April 2018 to RDO No. 33 stating that the latter has already relinquished its right to continue with the investigation, the same having been transferred to RDO No. 51; (12) after the cancellation of the scheduled informal conference, RDO No. 33 did not cease with the investigation but instead transferred the same RR No. 6 (to which it belongs); (13) RR No. 6 issued the PAN[31] to which petitioner responded through a letter reiterating that RDO No. 33, and by extension, RR No. 6, have lost jurisdiction to investigate petitioner for TY 2014 since it has already transferred to RDO No. 51; and, (14) RR No. 6 then issued the FLD[32] to which petitioner filed a protest for reconsideration.[33]

Respondent did not conduct any cross examination.[34]

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28 Supra at note 11.
29 Supra at note 12.
30 Supra at note 13.
31 Supra at note 15.
32 Supra at note 6.
33 Supra at note 18.
34 TSN of 16 October 2019, p. 3.

As for Petajen and Norielyn C. Morales (**Morales**), respondent agreed to stipulate[35] that their testimonies are the contents of their respective judicial affidavits.

In his Judicial Affidavit[36], Petajen testified, among others, that: (1) he is a Director and petitioner's Treasurer and Corporate Secretary; (2) as Treasurer and Corporate Secretary, he also reviews petitioner's Income Tax Return (**ITR**) and Audited Financial Statements (**AFS**); and, (3) the collection of petitioner's alleged deficiency tax for TY 2014 will jeopardize its operations.

On the other hand, Morales testified, through her Judicial Affidavit[37], that: (1) every document (related to tax) that the front desk receives first goes through her; (2) Bobadilla, petitioner's front desk officer at that time, received the LOA[38] with the attached Checklist of Requirements[39] on 02 June 2018; (3) as to the fact that the date of receipt appears only on the Checklist of Requirements and but not on the LOA, she explained that Bobadilla must have affixed proof of her receipt of the document only on the second page; (4) the person from the BIR was satisfied with the way it was received; and, (5) Bobadilla already resigned from petitioner and she believes that she obtained employment abroad.

On 21 October 2019, petitioner filed its Formal Offer of Evidence[40] (**FOE**) without respondent's comment.[41] In its 22 November 2019 Resolution[42], the Court admitted all of petitioner's documentary evidence, except Exhibits "P-5"[43], "P-6"[44] and "P-8"[45] for failure to present the original copies for comparison.

35 Id., p. 14.
36 Division Docket, Volume I, pp. 230-242.
37 Id., pp. 326-332.
38 Supra at note 9.
39 Supra at note 10.
40 Division Docket, Volume I, pp. 354-363.
41 *Per* Records Verification dated 11 November 2019, id., p. 509.
42 Id., pp. 515-516.
43 Memorandum issued by Revenue Region No. 6, Revenue District Office No. 33, Manila for Revenue District Officer of Revenue District Office No. 51, Pasay City, dated January 17, 2019.
44 Certificate of Registration OCN: 9BC0000475426 dated February 26, 2018.
45 Indorsement issued by Revenue Region No. 6, Revenue District Office No. 33, Manila.

On 06 December 2019, petitioner filed a Motion to Declare Respondent in Default[46] after the latter failed to file his comment[47] despite being given the opportunity to do so.[48]

On 11 March 2020, the Court granted petitioner's first Omnibus Motion and Motion to Declare Respondent in Default.[49] Consequently, respondent was declared in default.

On 17 June 2020, petitioner filed an Omnibus Motion to Adopt Evidence and for Postponement/Deferment of Hearing[50] (**second Omnibus Motion**). It sought to adopt the pieces of evidence presented during the preliminary hearing (on its first Omnibus Motion) and their respective purposes in support of the instant Petition for Review (main case).

In its Resolution dated 13 October 2020[51], the Court granted petitioner's second Omnibus Motion. As a result, Atty. Nibungco's testimony during the preliminary hearing was adopted in evidence while the identification of signatures of Petajen and Morales was made on 11 November 2020.[52]

On 11 December 2020, petitioner filed its FOE[53] for the main case and its Memorandum[54] on 16 December 2020.

On 27 January 2020[55], the Court admitted all of petitioner's documentary evidence, except Exhibits "P-5"[56], "P-6"[57] and "P-8"[58] (the same pieces of evidence admitted and denied during the preliminary hearing). At the same time, the case was submitted for decision.[59]

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46 Division Docket, Volume I, pp. 517-520.
47 *Per* Records Verification dated 18 February 2019, id., Volume II, p. 557.
48 See Resolution dated 16 December 2019, id., Volume I, p. 528.
49 See Resolution dated 11 March 2020, id., Volume II, pp. 559-563.
50 Id., pp. 565-569.
51 Id., pp. 596-600.
52 See Order dated 11 November 2020, id., p. 602.
53 Id., pp. 614-623.
54 Id., pp. 710-735.
55 See Resolution dated 27 January 2021, id., pp. 740-741.
56 Supra at note 44.
57 Supra at note 45.
58 Supra at note 46.
59 Supra at note 56.

Petitioner submitted the following issues for the resolution of the Court, to wit:[60]

I.
WHETHER ANY OR ALL OF THE LETTER OF AUTHORITY (LOA), PRELIMINARY ASSESSMENT NOTICE (PAN) AND FORMAL LETTER OF DEMAND (FLD) ARE VALID; AND,

II.
WHETHER ASSUMING FOR THE SAKE OF ARGUMENT THAT ANY OF THE PAN OR FLD ARE VALID, THESE HAVE ANY BASIS IN FACT.

Petitioner argues that the subject LOA dated 01 April 2016 is void and has no force and effect because the same was not served upon petitioner within 30 days from its issue date as it was served only on 02 June 2016 or sixty (60) days after its issuance.

Petitioner submits that the assessments and all subsequent acts of respondent are void for lack of a valid LOA as it fails to meet the due process requirement of proper service to taxpayer, citing RAMO No. 1-00.[61]

In further support of its arguments, petitioner cites the cases of *People of the Philippines v. Cross Country Oil & Petroleum Corporation, et al.*[62] (**Cross Country**) and *Dakay Construction and Development Corporation v. Commissioner of Internal Revenue*[63] (**Dakay**) where this Court commonly invalidated the pertinent assessments for failure to serve the LOA within 30 days, applying RAMO No. 1-00.

Even assuming that the subject LOA is valid, petitioner further submits that RDO No. 33 has lost its jurisdiction over the investigation upon RDO No. 33's indorsement to RDO No. 51 of petitioner's Application for Registration Information Update (BIR Form No. 1905) as well as the three (3) open cases for TYs 2013, 2014 and 2016.

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60 Petition for Review, Division Docket, Volume I, p. 19.
61 Supra at note 28.
62 CTA Crim. Case No. O-631, 13 March 2018.
63 CTA EB No. 1294, 20 September 2016.

According to petitioner, Section 12(B)[64] of Revenue Regulations No. 11-2008[65], which provides that the "old RDO is still duty-bound to terminate audit cases that are prescribing within six (6) months from the date of transfer", does not apply to it as none of the ongoing audit investigations then will prescribe in six (6) months. Particularly, TY 2014 which is the subject of instant Petition, is covered by a waiver of defense of prescription until 31 December 2018.

Lastly, petitioner claims that respondent's assessments are based on mere presumptions and are arbitrary.

The Court's ruling follows.

After a judicious review of the records of the case, the Court finds merit in the instant petition.

In *AFP General Insurance Corporation v. Commissioner of Internal Revenue*[66], the Supreme Court interpreted the provisions of RAMO No. 1-00 as one clearly imposing a 30-day expiration period for service; otherwise, the LOA becomes wholly unenforceable, to wit:

> ...
>
> The LOA commences the audit process and informs the taxpayer that he shall be investigated for possible deficiency tax assessment. RAMO 1-00 dated March 17, 2000 prescribes the use of the Updated Handbook on Audit Procedures and Techniques,

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[64] **SEC. 12. TRANSFER OF REGISTRATION.** - In case a registered person decides to transfer his registration, place of business or his head office or branches, it shall be his duty to inform the RDO where he is registered by filing the prescribed BIR Form specifying therein the Revenue District Office where he is intending to transfer.

...

(B) Transfer of Business Registration. - Taxpayer requesting for transfer shall file the Application for Update Form with the old RDO, copy-furnished the new RDO. It shall be the duty of the old RDO to transfer the accountabilities of the taxpayer to the new RDO where he is transferring. However, the old RDO can still institute collection on concluded audit cases at the time of transfer of registration. Moreover, said old RDO is still duty-bound to terminate audit cases that are prescribing within six (6) months from the date of transfer. The filing of tax returns and payment of taxes to the new RDO shall commence at the time the transfer is effected by the old RDO. Both the new and the old RDO shall be responsible in notifying the taxpayer concerned that the transfer of registration has already been effected.

...

[65] CONSOLIDATED REVENUE REGULATIONS ON PRIMARY REGISTRATION, ITS UPDATES, AND CANCELLATION.

[66] G.R. No. 222133, 04 November 2020; Citations omitted, italics in the original text and emphasis supplied.

defines an LOA, and describes its function and the manner by which it shall be served, to wit:

> 2. Serving of Letter of Authority
>
> 2.1 On the first opportunity of the Revenue Officer to have personal contact with the taxpayer, he should present the Letter of Authority (LA) together with a copy of the Taxpayer's Bill of Rights. The LA should be served by the Revenue Officer assigned to the case and no one else. He should have the proper identification card and should be in proper attire.
>
> 2.2 A Letter of Authority authorizes or empowers a designated Revenue Officer to examine, verify and scrutinize a taxpayer's books and records in relation to his internal revenue tax liabilities for a particular period.
>
> *2.3 A Letter of Authority must be served or presented to the taxpayer within 30 days from its date of issue; otherwise, it becomes null and void unless revalidated. The taxpayer has all the right to refuse its service if presented beyond the 30-day period depending on the policy set by top management. Revalidation is done by issuing a new Letter of Authority or by just simply stamping the words "Revalidated on ____________" on the face of the copy of the Letter of Authority issued.*

...

The foregoing rule invalidates a previously issued LOA, which has remained unserved for more than 30 days past its issuance date, unless the same is revalidated.

In the exercise of the power to assess and collect taxes, the BIR has the commensurate duty to uphold a taxpayer's fundamental right to due process. Thus, its authority must be understood to take effect only after the CIR or his duly authorized representative *issues an LOA* and the designated revenue officer *serves it* upon the intended taxpayer. That a LOA remains unserved signifies that the tax authorities have yet to formally apprise the taxpayer and, consequently, have not commenced actual audit.

Read in these lights, the rules clearly impose a *30-day expiration period for service*. Upon expiration, the LOA becomes *wholly unenforceable*, inasmuch as it cannot be

> **served without revalidation upon the taxpayer who, in turn, has the right to refuse the same.**
>
> The revalidation requirement involving an *unserved LOA* is imposed on the revenue officer because he/she exclusively derives authority therefrom. It is intended to *reconfirm his/her designation* as the BIR personnel duly authorized (by the CIR) to examine the taxpayer's books and *extend the period of service*. Otherwise, his/her subsequent presence in a taxpayer's premises for a supposed tax audit shall be illegitimate.
>
> ...

In this case, the subject LOA was issued on 01 April 2016. Thus, respondent only had until 01 May 2016 within which to serve the said LOA. However, as testified to by petitioner's witnesses, Atty. Nibungco[67] and Morales[68], petitioner received it (through its then receptionist, Bobadilla) only on 02 June 2016 or sixty-two (62) days after its issuance (which date of receipt is reflected in the Checklist of Requirements).[69]

In the absence of revalidation, the subject LOA became void and without effect. Resultantly, any investigation conducted pursuant to the void LOA is unauthorized and therefore, a nullity.

It is noted that this Court has consistently made the above pronouncement in *People of the Philippines v. Cross Country Oil and Petroleum Corp., et al.*[70], *Joselito Ranada Laraya v. The Commissioner of the Bureau of Internal Revenue, through Jose A. Tan, Revenue Regional Director Region 9, San Pablo City*[71], *AC Corporation v. Commissioner of Internal Revenue*[72], *Kokoloko Network Corporation v. Commissioner of Internal Revenue*[73], *Edmund U. Bermejo IV v. Commissioner of Internal Revenue*[74], as well as in petitioner's cited cases of *Cross Country* and *Dakay*.

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[67] Q&A No. 19, Judicial Affidavit of Atty. Virgelio T. Nibungco, Division Docket, Volume I, p. 140.
[68] Q&A No. 16, Judicial Affidavit of Norielyn C. Morales, id., p. 329.
[69] Q&A No. 21, id., p. 330.
[70] CTA EB Crim. No. 071 (CTA Crim. Case No. O-653), 04 December 2020.
[71] CTA Case No. 8890, 01 October 2020.
[72] CTA Case No. 8485, 06 January 2020.
[73] CTA Case No. 9574, 24 September 2019.
[74] CTA Case No. 9310, 05 August 2019.

In the seminal case of *Commissioner of Internal Revenue v. Sony Philippines, Inc.*[75], even the Supreme Court has ruled that in the absence of authority given to a revenue officer (**RO**), the assessment or examination is a nullity, *viz*:

> ...
>
> Based on Section 13 of the Tax Code, a Letter of Authority or LOA is the authority given to the appropriate revenue officer assigned to perform assessment functions. It empowers or enables said revenue officer to examine the books of account and other accounting records of a taxpayer for the purpose of collecting the correct amount of tax. The very provision of the Tax Code that the CIR relies on is unequivocal with regard to its power to grant authority to examine and assess a taxpayer.
>
> > SEC. 6. Power of the Commissioner to Make Assessments and Prescribe Additional Requirements for Tax Administration and Enforcement. -
> >
> > (A)Examination of Returns and Determination of tax Due. - After a return has been filed as required under the provisions of this Code, the Commissioner or his duly authorized representative <u>may authorize the examination of any taxpayer and the assessment of the correct amount of tax:</u> Provided, however, That failure to file a return shall not prevent the Commissioner from <u>authorizing the examination of any taxpayer.</u> x x x
>
> Clearly, there must be a grant of authority before any revenue officer can conduct an examination or assessment. Equally important is that the revenue officer so authorized must not go beyond the authority given. **In the absence of such an authority, the assessment or examination is a nullity.**
>
> ...

From the foregoing, it is evident that the LOA became invalid as a result of the failure to serve the same on petitioner within the prescribed period of 30 days. Considering the absence of authority of the ROs named therein (as a result of the invalidation of the LOA), the assessments or examination on petitioner must likewise be declared as nullity.

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[75] G.R. No. 178697, 17 November 2010; Citation omitted, underscoring in the original text and emphasis supplied.

Incidentally, respondent must have also known that his actions against the petitioner would be struck down in the obvious absence of a valid authority to examine or assess petitioner. It is noted that, even after the Court granted his previous request for extension[76], he still failed to file an answer. Additionally, when petitioner moved that he be declared in default, he also took no action and had even opted to forego the filing of his comment[77] (which could have been the opportunity for him to seek the admission of his answer). The records also support that respondent never really attempted to have the Resolution declaring him in default[78] set aside. In other words, he made no effort to rebuke petitioner's claims.

With the finding that respondent's assessment of petitioner is invalid, the Court no longer finds it necessary to further discuss the other issues raised in this instant petition.

WHEREFORE, in view of the foregoing, the Petition for Review filed by petitioner Vanguard Logistics Services Phils., Inc. is hereby **GRANTED**. Accordingly, the Formal Letter of Demand with Details of Discrepancies Demand No. 33-14-45089-18-206 and Assessment Notices dated 27 December 2018 issued against petitioner for deficiency income tax, value-added tax, expanded withholding tax and miscellaneous tax for taxable year 2014, are hereby **CANCELLED** and **SET ASIDE**.

Consequently, respondent Commissioner of Internal Revenue or any person duly acting on his behalf is hereby **ENJOINED** from proceeding with the collection of the taxes arising therefrom.

SO ORDERED.

JEAN MARIE A. BACORRO-VILLENA
Associate Justice

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[76] Supra at note 22.
[77] Supra at note 47.
[78] Supra at note 49.

WE CONCUR:

Juanito C. Castañeda, Jr.
JUANITO C. CASTAÑEDA, JR.
Associate Justice

LANEE S. CUI-DAVID
Associate Justice

ATTESTATION

I attest that the conclusions in the above Decision were reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.

Juanito C. Castañeda, Jr.
JUANITO C. CASTAÑEDA, JR.
Associate Justice
2nd Division Chairperson

CERTIFICATION

Pursuant to Section 13, Article VIII of the Constitution, and the Division Chairperson's Attestation, it is hereby certified that the conclusions in the above Decision were reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.

ROMAN G. DEL ROSARIO
Presiding Justice