REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

SPECIAL SECOND DIVISION

SANDOZ PHILIPPINES CORPORATION, *Petitioner,*	**CTA CASE NO. 11060**
	Members:
- versus -	**RINGPIS-LIBAN**, *PJ Chairperson,* **MODESTO-SAN PEDRO**, *and* **FERRER-FLORES**, *JJ.*
COMMISSIONER OF INTERNAL REVENUE, *Respondent.*	Promulgated: JUL 20 2026

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DECISION

***MODESTO-SAN PEDRO, J.*:**

The Case

This Petition for Review filed on January 4, 2023, prays for the refund or issuance of tax credit certificate in the amount of ₱81,970,841.12, allegedly representing petitioner's Value-Added Tax ("VAT") erroneously paid during the period January 1, 2021 to December 31, 2021 on its importations of prescription drugs and medicines for diabetes, high cholesterol and hypertension, as well as prescription drugs and medicine for cancer, mental illness and kidney diseases.[1]

The Parties

Petitioner Sandoz Philippines Corporation is a domestic corporation duly organized and existing under Philippine law,[2] with principal office address at 5th – 6th Floor, Ayala North Exchange Tower 1, Ayala Avenue, cor.

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[1] Summary of the Case, Pre-Trial Order, Docket – Vol. I, p. 392.
[2] See Exhibit "P-1" (SEC Certificate of Filing of Amended Articles of Incorporation), Docket – Vol. II, p. 612.

Salcedo and Amorsolo Streets, Makati City.[3] It is also registered with the Bureau of Internal Revenue ("BIR") as a VAT taxpayer, with Taxpayer's Identification No. ("TIN") 220-706-109-00000.[4]

Respondent Commissioner of Internal Revenue is sued in his official capacity, having been duly appointed and empowered to perform the duties of his office, including, among others, the duty to act on and approve claims for refund as provided by law. He may be served with summons, notices and other court processes at the Legal Division, Bureau of Internal Revenue, RR8A-Makati City, 36th Flr. Exportbank Plaza Bldg., Sen. Gil Puyat Ave. cor. Chino Roces Ave., Makati City.[5]

The Facts

On December 29, 2022, petitioner filed with the BIR a Letter and an Application for Tax Credits/Refunds (BIR Form No. 1914), based on *Section 109(1)(AA) of the National Internal Revenue Code of 1997,* ("the *Tax Code*") *as amended by Republic Act ("R.A.") Nos. 11467*[6] *and 11534,*[7] for the taxable year ("TY") 2021 amounting to ₱81,970,841.12.[8] The following summarizes petitioner's importations for TY 2021:

Item Imported	VAT Payment	SSDT No.[9]	Date of Payment *(dd/mm/yyyy)*
EKOSART 100MG 30FCT V1 PH	₱561,768.53	R 4400	05/01/2021
AVAMAX 80MG 30FCT UD PH	188,046.13	R 4400	05/01/2021
EKOSART 100MG 30FCT V1 PH	286,226.37	R 4400	05/01/2021
CRESART SDZ 40MG 30FCT UD PH	65,150.83	R 6695	06/01/2021
CRESART SDZ 20MG 30FCT UD PH	71,230.29	R 7925	07/01/2021
XANTOR 10MG 100FCT PH	136,758.78	R 7925	07/01/2021
RITEMED OLMESARTAN 20MG 30FCT UD PH	32,138.74	R 7925	07/01/2021
XANTOR 40MG TAB 100S	272,616.57	R 6697	06/01/2021
CARDIOVASC 10MG TAB 100'S	692,783.35	R 30207	18/01/2021
AVAMAX 80MG 30FCT UD PH	198,375.14	R 36139	20/01/2021
CARDIOVASC 10MG TAB 100'S	689,108.08	R 44778	25/01/2021
RITEMED AMLODIPINE 5MG 100TAB V1 PH	183,640.96	R 44779	25/01/2021
RITEMED AMLODIPINE 5MG 100TAB V1 PH	169,724.54	R 47420	26/01/2021
RITEMED AMLODIPINE 5MG 100TAB V1 PH	176,127.28	R 44777	25/01/2021

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3 Par. 3, Petition for Review, Docket – Vol. I, p. 8.
4 Exhibit "P-4", Docket – Vol. II, pp. 624 to 626.
5 Par. 2, Summary of Admitted Facts, Joint Stipulation of Facts and Issues, Docket – Vol. I, p. 375.
6 An Act Amending Sections 109,141, 142, 143,144, 147, 152, 263, 263-A, 265, and 288-A, and Adding a New Section 290-A to Republic Act No. 8424, as amended, Otherwise Known as the National Internal Revenue Code of 1997, and for Other Purposes.
7 An Act Reforming the Corporate Income Tax and Incentives System, Amending for the Purpose Sections 20, 22, 25, 27, 28, 29, 34, 40, 57, 109, 116, 204 and 290 of the National Internal Revenue Code of 1997, as Amended, and Creating Therein New Title XIII, and for Other Purposes, otherwise known as "Corporate Recovery and Tax Incentives for Enterprises Act" or "CREATE".
8 Exhibits "P-741" to "P-742", with sub-markings, Docket – Vol II, pp. 628 to 722.
9 Exhibits "P-1009-C.1" to "P-1009-C.185".

LODINE 5MG 100PRT PH	88,794.26	R 47070	26/01/2021
RITEMED FELODIPINE 5MG 100PRT UD PH	99,431.90	R 47070	26/01/2021
RITEMED AMLODIPINE 5MG 100TAB V1	352,219.52	R 54312	05/02/2021
CO-TAREG 80+12.5MG 28FCT PH	176,056.15	R 70840	05/02/2021
TAREG 80MG 28FCT PH	623,552.06	R 76066	08/02/2021
VERAL 240MG 100PRT UD PH	121,309.14	R 76068	08/02/2021
RITEMED AMLODIPINE 10MG 100TAB V1 PH	591,862.90	R 90163	15/02/2021
RITEMED AMLODIPINE 10MG 100TAB V1 PH	506,003.82	R 93209	16/02/2021
CARDIOVASC 5MG 100TAB V1 PH	358,674.40	R 90366	15/02/2021
FREPAN 8MG 30TAB PH	31,596.63	R 97541	18/02/2021
RITEMED FELODIPINE 5MG 100PRT UD PH	108,477.87	R 112945	26/02/2021
TAREG 160MG 28FCT PH	932,986.98	R 131654	08/03/2021
TAREG 80MG 28FCT PH	843,816.96	R 136365	10/03/2021
CARDIOVASC 5MG 100TAB V1 PH	173,739.70	R 153230	17/03/2021
PROSTERA 5MG 30TAB PH	366,740.75	R 172862	24/03/2021
GLICLAZIDE 500KG	318,034.19	R 31246	22/03/2021
PROSTERA 2MG 90TAB PH	194,307.69	R 174665	25/03/2021
ROSALTA 20MG 30FCT PH	173,416.32	R 174665	25/03/2021
RITEMED ROSUVASTATIN 20MG 30FCT UD PH	140,416.53	R 174665	25/03/2021
RITEMED AMLODIPINE 5MG 100TAB V1 PH	270,852.73	R 183165	29/03/2021
VIVASARTAN 50MG 30FCT V1 PH	120,141.10	R 185596	30/03/2021
AVAMAX 40MG 100FCT PH	433,147.51	R 36344	06/04/2021
LOSARTAN POTASSIUM 50MG 30FCT	253,131.43	R 203662	08/04/2021
LOSARTAN POTASSIUM 50MG 30FCT	249,369.19	R 203661	08/04/2021
LOSARTAN POTASSIUM 50MG 30FCT	252,169.43	R 226936	19/04/2021
LOSARTAN POTASSIUM 50MG 30FCT	254,195.80	R 226937	19/04/2021
LOSARTAN POTASSIUM 50MG 30FCT	251,436.42	R 226938	19/04/2021
LOSARTAN POTASSIUM 50MG 30FCT	252,229.73	R 226939	19/04/2021
LOSARTAN POTASSIUM 50MG 30FCT	251,011.02	R 211442	12/04/2021
LOSARTAN POTASSIUM 50MG 30FCT	252,959.62	R 210918	12/04/2021
LOSARTAN POTASSIUM 50MG 30FCT	226,127.49	R 211441	12/04/2021
LOSARTAN POTASSIUM 50MG 30FCT	97,064.10	R 210642	12/04/2021
AVAMAX 10MG 100FCT PH	168,599.24	R 210639	12/04/2021
RITEMED ROSUVASTATIN 10MG 30FCT UD PH	165,386.64	R 213748	13/04/2021
FREPAN 16MG 30TAB PH	147,352.05	R 213748	13/04/2021
ROBESTAR 10MG 30FCT PH	287,312.43	R 213748	13/04/2021
XANTOR 20MG 100FCT PH	208,550.39	R 213745	13/04/2021
IRBENOX 150MG 28FCT PH	140,708.97	R 228821	20/04/2021
RITEMED AMLODIPINE 5MG 100TAB V1 PH	444,636.74	R 232306	21/04/2021
VIVASARTAN 100MG 30FCT V2 PH	615,064.68	R 232305	21/04/2021
RITEMED AMLODIPINE 5MG 100TAB V1 PH	442,384.05	R 232309	21/04/2021
RITEMED FELODIPINE 5MG 100PRT UD PH	74,298.13	R 232586	21/04/2021
RTM VERAPAMIL 240MG 100PRT UD PH	112,588.04	R 232586	21/04/2021
RM GLIMEPIRIDE 2MG	129,771.30	R 232587	21/04/2021
LOSARTAN POTASSIUM 100MG 30FCT	324,361.89	R 235547	22/04/2021
LOSARTAN POTASSIUM 100MG 30FCT	293,106.64	R 238097	23/04/2021
LOSARTAN POTASSIUM 100MG 30FCT	292,472.49	R 245190	26/04/2021
GLICLAZIDE 30MG 60PRT PH	77,656.40	R 245192	26/04/2021
FREPAN 8MG 30TAB PH	151,188.21	R 245192	26/04/2021

PROLOHEX 100MG TAB 100'S (IFG)	91,468.94	R 178603	29/04/2021
VIVASARTAN 50MG 30FCT V1 PH	446,420.58	R 187757	05/05/2021
GLICLAZIDE 30MG 60PRT PH	69,517.78	R 300850	18/05/2021
PROSTERA 2MG 90TAB PH	101,140.20	R 300850	18/05/2021
ROBESTAR 20MG 30FCT PH	306,069.80	R 300850	18/05/2021
CARDIOVASC 5MG 100TAB V1 PH	794,560.72	R 291521	14/05/2021
EKOSART 50MG 30FCT V1 PH	8,047.12	R 206199	18/05/2021
AMBESYL 5MG 30TAB V1 PH	1,134,983.26	R 298292	17/05/2021
RIMEPRIL SDZ 2MG 100TAB PH	175,123.32	R 304824	19/05/2021
RITEMED AMLODIPINE 10MG 100TAB V1 PH	502,540.14	R 353984	07/06/2021
VALCAMP 80+5MG 7FCT PH	253,586.34	R 260229	18/06/2021
VALCAMP 160+5MG 7FCT PH	239,065.49	R 260229	18/06/2021
VALCAMP 160+10MG 7FCT PH	220,437.88	R 259706	17/06/2021
RITEMED AMLODIPINE 10MG 100TAB V1 PH	507,450.78	R 367227	11/06/2021
RITEMED AMLODIPINE 10MG 100TAB V1 PH	508,880.45	R 377566	15/06/2021
RITEMED AMLODIPINE 10MG 100TAB V1 PH	507,502.63	R 377567	15/06/2021
TAREG 160MG 28FCT PH	891,036.58	R 380182	16/06/2021
Gliclazide 500 KG	311,874.55	R 260636	18/06/2021
RITEMED AMLODIPINE 5MG 100TAB V1 PH	605,496.85	R 380185	16/06/2021
RITEMED AMLODIPINE 5MG 100TAB V1 PH	406,726.17	R 380441	16/06/2021
RITEMED BISOPROLOL 5MG 100FCT PH	42,588.54	R 380440	16/06/2021
TAREG 80MG 28FCT PH	1,730,753.88	R 376920	15/06/2021
CARDIOVASC 10MG TAB 100'S	1,078,475.70	R 396175	22/06/2021
CO-TAREG 160+12.5MG 28FCT PH	391,839.25	R 410249	28/06/2021
RIMEPRIL SDZ 3MG 100TAB PH	111,412.40	R 397990	23/06/2021
RITEMED BISOPROLOL 5MG 100FCT PH	42,200.73	R 397990	23/06/2021
RM GLIMEPIRIDE 3MG	41,648.89	R 397990	23/06/2021
ATAJEC 500MG 50FCT UD PH	195,812.34	R 423374	02/07/2021
EBW PACLITAXEL 100MG/16,7ML 1LIVI PH	166,868.73	R 431451	05/07/2021
LOSARTAN POTASSIUM 50MG 30FCT	289,915.11	R 436633	07/07/2021
LOSARTAN POTASSIUM 50MG 30FCT	297,226.76	R 434229	06/07/2021
LOSARTAN POTASSIUM 50MG 30FCT	300,287.46	R 434232	06/07/2021
LOSARTAN POTASSIUM 50MG 30FCT	298,828.04	R 433784	06/07/2021
LOSARTAN POTASSIUM 50MG 30FCT	180,039.07	R 434233	06/07/2021
LOSARTAN POTASSIUM 50MG 30FCT	328,291.69	R 429919	05/07/2021
XALIPTINE 200MG/40ML 1LIVI LF PH	263,226.31	R 436844	07/07/2021
RITEMED AMLODIPINE 10MG 100TAB V1 PH	969,311.51	R 451482	12/07/2021
RIMSTAR 4-FDC FCT 60'S (IFG)	275,814.38	R 451461	12/07/2021
AMBESYL 10MG 30TAB V1 PH	1,838,301.45	R 304825	15/07/2021
ARIZOPRESS 10MG 30TAB PH	530,629.24	R 454149	13/07/2021
LODINE 5MG 100PRT PH	179,598.95	R 453524	13/07/2021
RITEMED FELODIPINE 5MG 100PRT UD PH	231,985.99	R 453524	13/07/2021
RM LOSARTAN 50MG 30FCT UD PH	768,616.38	R 296153	12/07/2021
RM LOSARTAN 50MG 30FCT UD PH	364,231.64	R 296995	12/07/2021
RM LOSARTAN 100MG 30FCT UD PH	277,868.00	R 303222	15/07/2021
RM LOSARTAN 100MG 30FCT UD PH	435,415.71	R 311023	21/07/2021
RM LOSARTAN 50MG 30FCT UD PH	156,208.48	R 311023	21/07/2021
RM LOSARTAN 50MG 30FCT UD PH	774,402.10	R 309562	19/07/2021
RM LOSARTAN 50MG 30FCT UD PH	305,063.49	R 312870	21/07/2021
LOSARTAN POTASSIUM 50MG 30FCT	301,251.75	R 457081	14/07/2021

XANTOR 10MG 100FCT PH	58,603.56	R 457077	14/07/2021
ROBESTAR 20MG 30FCT PH	414,891.22	R 457077	14/07/2021
LOSARTAN POTASSIUM 50MG 30FCT	303,268.11	R 457063	14/07/2021
CARDIOVASC 5MG 100TAB V1 PH	165,502.62	R 477646	21/07/2021
RITEMED AMLODIPINE 10MG 100TAB V1 PH	546,962.51	R 477646	21/07/2021
AVAMAX 80MG 30FCT UD PH	179,647.85	R 483174	23/07/2021
RM LOSARTAN 50MG 30FCT UD PH	160,989.66	R 327744	30/07/2021
ZOFRAN 4MG/2ML 5LIAM PH	536,826.42	R 509397	02/08/2021
XANTOR 40MG TAB 100S	373,518.57	R 551716	17/08/2021
GLICLAZIDE API	344,382.18	R 92654	16/08/2021
LOSARTAN POTASSIUM 100MG 30FCT	571,429.22	R 357871	19/08/2021
LOSARTAN POTASSIUM 100MG 30FCT	565,316.89	R 358406	19/08/2021
LOSARTAN POTASSIUM 100MG 30FCT	562,110.70	R 358414	19/08/2021
CARVEDILOL 25MG 100TAB UD PH	97,255.14	R 579323	27/08/2021
XALIPTINE 200MG/40ML 1LIVI LF PH	298,940.79	R 579862	27/08/2021
LOSARTAN POTASSIUM 50MG 30FCT	911,787.09	R 381988	03/09/2021
RITEMED AMLODIPINE 10MG 100TAB V1 PH	532,457.35	R 604188	07/09/2021
CARDIOVASC 5MG 100TAB V1 PH	829,037.47	R 607228	08/09/2021
XALIPTINE 50MG/10ML 1LIVI LF PH	143,496.21	R 623101	14/09/2021
XALIPTINE 100MG/20ML 1LIVI LF PH	334,594.54	R 623691	14/09/2021
CRESART SDZ 40MG 30FCT UD PH	44,148.51	R 619587	13/09/2021
ESITALO 10MG 28FCT PH	122,581.11	R 623168	14/09/2021
RM GLIMEPIRIDE 2MG 100TAB PH	153,085.43	R 620127	13/09/2021
RM GLIMEPIRIDE 3MG 100TAB PH	33,549.26	R 620127	13/09/2021
LOSARTAN POTASSIUM 50MG 30FCT	962,101.75	R 392124	09/09/2021
LOSARTAN POTASSIUM 50MG 30FCT	919,451.52	R 396259	13/09/2021
LOSARTAN POTASSIUM 50MG 30FCT	690,489.87	R 396255	13/09/2021
LOSARTAN POTASSIUM 100MG 30FCT	555,920.22	R 398972	14/09/2021
LOSARTAN POTASSIUM 100MG 30FCT	283,659.07	R 103637	13/09/2021
LOSARTAN POTASSIUM 50MG 30FCT	307,755.48	R 103637	13/09/2021
RITEMED AMLODIPINE 5MG 100TAB V1 PH	640,993.63	R 627034	15/09/2021
RITEMED FELODIPINE 5MG 100PRT UD PH	185,249.69	R 640810	20/09/2021
AMD CARVEDILOL 25MG 100TAB UD PH	33,828.16	R 640810	20/09/2021
VERAL 240MG 100PRT UD PH	127,004.79	R 640810	20/09/2021
ZARZIO 30MIU/0.5ML 5LISY BI PH	805,992.88	R 627033	15/09/2021
RIMEPRIL SDZ 2MG 100TAB PH	195,145.21	R 649098	23/09/2021
TAREG 80MG 28FCT PH	864,399.69	R 646906	22/09/2021
ISORMED 60MG 50PRT PH	210,652.05	R 666981	01/10/2021
BIOCLAVID 1000MG TAB 14'S	114,301.94	R 677295	06/10/2021
ROBESTAR 20MG 30FCT PH	305,318.75	R 674682	05/10/2021
AVAMAX 80MG 30FCT UD PH	310,392.61	R 686904	11/10/2021
XALIPTINE 100MG/20ML 1LIVI LF PH	607,087.12	R 707129	20/10/2021
SIMVAS 20MG UD TAB 100'S_PH	103,574.49	R 680359	07/10/2021
VIDASTAT 20MG UD TAB 100'S	174,107.65	R 680359	07/10/2021
RITEMED AMLODIPINE 5MG 100TAB V1 PH	656,329.04	R 678057	06/10/2021
ZENITH 500MG 30FCT PH	418,998.35	R 704890	19/10/2021
RITEMED AMLODIPINE 10MG 100TAB V1 PH	1,603,808.40	R 692774	13/10/2021
RIMEPRIL SDZ 3MG 100TAB PH	53,588.87	R 695011	14/10/2021
TAREG 160MG 28FCT PH	565,152.93	R 691858	13/10/2021
PAIZU 2,25G 1PSOIJ PH	150,638.72	R 710508	21/10/2021
ZOFRAN 8MG/4ML 5LIAM PH	1,450,918.82	R 711013	21/10/2021
VALCAMP 160+10MG 7FCT PH	109,382.60	R 720677	26/10/2021

AMOCLAV 250MG+62.5MG/5ML 60ML 1POS PH	61,508.53	R 467511	27/10/2021
AMOCLAV 125MG+31.25MG/5ML 60ML 1POS PH	56,192.20	R 467511	27/10/2021
XANTOR 40MG TAB 100S	431,511.24	R 734670	02/11/2021
VALCAMP 160+5MG 7FCT PH	83,975.32	R 734671	02/11/2021
RITEMED AMLODIPINE 5MG 100TAB V1 PH	586,834.41	R 740895	04/11/2021
CARDIOVASC 10MG TAB 100'S	1,147,186.86	R 751437	09/11/2021
ARINIB 1MG 28FCT PH	436,829.53	R 748417	08/11/2021
AMD METOPROLOL 100MG 100TAB UD PH	70,373.35	R 748417	08/11/2021
RITEMED AMLODIPINE 5MG 100TAB V1 PH	433,065.18	R 751660	09/11/2021
AMBESYL 5MG 30TAB V1 PH	1,207,790.93	R 754244	10/11/2021
RITEMED AZITHROMYCIN 500MG 30FCT PH	213,900.12	R 759661	12/11/2021
RITEMED AMLODIPINE 5MG 100TAB V1 PH	556,024.44	R 764732	15/11/2021
CARDIOVASC 5MG 100TAB V1 PH	1,008,590.06	R 759662	12/11/2021
RITEMED AMLODIPINE 10MG 100TAB V1 PH	1,164,648.79	R 764733	15/11/2021
ZARZIO 30MIU/0.5ML 5LISY BI PH	625,937.62	R 765637	15/11/2021
AVAMAX 20MG 100FCT PH	558,937.54	R 773025	18/11/2021
AZITHROMYCIN 1HDR 500MG 3FCT PH	471,548.76	R 784051	23/11/2021
ROBESTAR 10MG 30FCT PH	280,931.41	R 780812	22/11/2021
AVAMAX 20MG 100FCT PH	887,558.46	R 789099	25/11/2021
XANTOR 20MG TAB 100S	130,841.85	R 780808	22/11/2021
FENAHEX 20MG 30FCT PH	116,653.49	R 776131	19/11/2021
RITEMED AMLODIPINE 5MG 100TAB V1 PH	465,050.80	R 780813	22/11/2021
RITEMED AMLODIPINE 5MG 100TAB V1 PH	457,709.69	R 780811	22/11/2021
RITEMED AMLODIPINE 5MG 100TAB V1 PH	437,649.40	R 780814	22/11/2021
AMPICIN 250MG 1PSOIJ PH	183,308.59	R 803972	02/12/2021
AMPICIN 500MG 1PSOIJ PH	504,497.83	R 529438	03/12/2021
FREPAN 16MG 30TAB PH	77,647.82	R 812113	06/12/2021
XANTOR 20MG TAB 100S	104,533.42	R 812117	06/12/2021
AVAMAX 80MG 30FCT UD PH	298,726.98	R 812115	06/12/2021
AMLODIPINE BES 10MG 100TAB C PH	1,193,260.18	R 812307	06/12/2021
ZARZIO 30MIU/0.5ML 5LISY BI PH	254,052.10	R 819528	09/12/2021
FREPAN 8MG 30TAB PH	67,708.09	R 818953	09/12/2021
AVAMAX 80MG 30FCT UD PH	143,331.33	R 826653	13/12/2021
AUMOX 625MG 100FCT ST PH	648,582.55	R 826655	13/12/2021
VALCAMP 160+10MG 7FCT PH	116,427.25	R 826908	13/12/2021
RITEMED AMLODIPINE 5MG 100TAB V1 PH	200,749.47	R 828243	13/12/2021
RM PREGABALIN 75MG 56HGC V1 PH	71,709.56	R 832686	15/12/2021
GABI 75MG 56HGC V1 PH	148,918.01	R 832686	15/12/2021
RITEMED AMLODIPINE 10MG 100TAB V1 PH	442,005.81	R 832687	15/12/2021
RM GLIMEPIRIDE 3MG 100TAB PH	22,255.18	R 835463	16/12/2021
EBEDOXO 50MG/25ML 1LIVI PH	104,274.74	R 833822	15/12/2021
ZOFRAN 8MG/4ML 5LIAM PH	592,301.62	R 838326	17/12/2021
RTM VERAPAMIL 240MG 100PRT UD PH	113,321.69	R 844101	20/12/2021
AMLODIPINE BES 5MG 100TAB C PH	1,210,434.41	R 844353	20/12/2021
VIVASARTAN 50MG 30FCT V1 PH	197,683.30	R 859400	28/12/2021
LOSARTAN POTASSIUM 50MG 30FCT	108,476.82	R 859400	28/12/2021
EKOSART 50MG 30FCT V1 PH	443,053.56	R 859400	28/12/2021

CO-TAREG 80+12.5MG 28FCT PH	147,573.14	R 846234	21/12/2021
AROSTANIL 25MG 30FCT UD PH	185,858.69	R 859402	28/12/2021
TAREG 80MG 28FCT PH	2,393,821.53	R 860344	28/12/2021
Total	**₱81,970,841.12**		

Due to respondent's inaction on its claim for refund, petitioner filed a Petition for Review ("Petition") before this Court on January 4, 2023,[10] to which respondent filed his Answer on March 14, 2023[11] and transmitted to this Court the BIR Records of the case.[12]

Respondent filed his Pre-Trial Brief on May 19, 2023, while petitioner filed its Pre-Trial Brief on May 22, 2023.[13] Thereafter, Pre-Trial Conference was held on September 28, 2023.[14]

On October 27, 2023, the parties submitted their Joint Stipulation of Facts and Issues,[15] which was approved and adopted in the Pre-Trial Order issued and dated January 9, 2024.[16]

Trial then ensued, with the parties presenting and offering their respective documentary and testimonial evidence.

Petitioner offered the testimonies of the following individuals: (1) Ms. Cristina A. Alcantara,[17] petitioner's Financial Reporting and Accounting Head; (2) Mary Ann Evangelista, M.D.,[18] petitioner's Head Medical Affairs & Patient Access; and (3) Mr. Enrico T. Pizzaro,[19] the Court-commissioned Independent Certified Public Accountant ("ICPA").[20]

The Report of the ICPA was submitted on February 19, 2024.[21]

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[10] Docket – Vol. I, pp. 6 to 84.
[11] *Id.* at 179 to 186.
[12] Compliance dated March 13, 2023, *id.* at 176 to 177.
[13] *Id.* at 190 to 192 and 196 to 239, respectively.
[14] Minutes of the hearing held on, and Order dated, September 28, 2023, *Id.* at 247 to 248.
[15] *Id.* at 374 to 383.
[16] *Id.* at 392 to 398.
[17] Exhibit "P-901", with accompanying USB containing the exhibits identified, Minutes of the hearing held on, and Order dated, February 15, 2024, *id.* at 286 to 342 and 410 to 410-A, respectively.
[18] Exhibit "P-900", Minutes of the hearing held on, and Order dated, February 15, 2024, *id.* at 134 to 167 and 410 to 410-A, respectively.
[19] Exhibit "P-902", Minutes of the hearing held on, and Order dated, March 19, 2024, *id.* at 427 to 546 and 556 to 558, respectively.
[20] Oath of Commission dated January 18, 2024, Minutes of the hearing held on, and Order dated January 18, 2024, *id.* at 400 to 400-B.
[21] Exhibits "P-903" and "P-903-2"; Compliance dated February 19, 2024, *id.* at 411 to 417.

Petitioner filed its Formal Offer of Evidence on April 18, 2024[22]with respondent's Comment filed on April 25, 2024.[23] The Court resolved the same in a Resolution dated November 11, 2024.[24]

On the other hand, respondent presented his sole witness, Revenue Officer Julie Ann Alcantara.[25] He filed his Formal Offer of Evidence on February 26, 2025.[26], with petitioner's Comment filed on March 10, 2025.[27] The Court resolved the same in a Resolution dated July 8, 2025.[28]

Respondent manifested that he adopts all his prior pleadings in relation to this case as his memorandum,[29] while petitioner's Memorandum was submitted on September 4, 2025.[30] Thus, in a Minute Resolution dated October 1, 2025, the case was deemed submitted for decision.[31]

Hence, this Decision.

The Issue

The lone issue stipulated by the parties is as follows:

> Whether or not the petitioner is entitled to its claim of tax refund or tax credit in the amount of Eighty-One Million Nine Hundred Seventy Thousand Eight Hundred Forty One and 12/100 Philippine Pesos (₱81,970,841.12) allegedly representing erroneously paid VAT during the period of 01 January 2021 to 31 December 2021.[32]

Arguments of the Parties

Petitioner's Arguments:

Petitioner argues that its claim for the refund of erroneously paid VAT importations of prescription drugs and medicines for diabetes, high cholesterol and hypertension, as well as prescription drugs and medicine for

[22] Docket – Vol. II, pp. 563 to 609.
[23] *Id.* at 746 to 751.
[24] *Id.* at 762 to 768.
[25] Exhibit "R-7", Docket – Vol. I, pp. 252 to 265; Minutes of the hearing held on, and Order dated, February 20, 2025, Docket – Vol. II, pp. 771 to 772.
[26] Docket – Vol. II, pp. 774 to 779.
[27] *Id.* at 783 to 786.
[28] *Id.* at 790 to 791.
[29] Manifestation dated August 13, 2025, *id.* at 793 to 794.
[30] *Id.* at 798 to 886.
[31] *Id.* at 887.
[32] Statement of the Issues, JSFI, Docket – Vol. I, p. 375.

cancer, mental illness and kidney diseases for the period January 1, 2021 to December 31, 2021 should be granted as these goods are exempted from VAT under *Section 109(AA) of the Tax Code, as amended by R.A. Nos. 11467 and 11534* and is filed in accordance with *Sections 204(C) and 229 of the same Code.*

Respondent's Counter-arguments:

Respondent counter-argues that petitioner is not entitled to the refund being claimed as it failed to comply with the requirements under *Revenue Memorandum Circular ("RMC") No. 36-2020* and failed to prove that its VAT payments were erroneously paid or illegally collected.

<u>The Ruling of the Court</u>

The Petition must be partially granted.

The provisions that govern the present claim for refund of erroneously paid taxes are *Sections 204(C) and 229 of the Tax Code, as amended,* which read as follows:

> SEC. 204. *Authority of the Commissioner to Compromise, Abate and Refund or Credit Taxes.* – The Commissioner may –
>
> (C) Credit or refund taxes erroneously or illegally received or penalties imposed without authority, refund the value of internal revenue stamps when they are returned in good condition by the purchaser, and, in his discretion, redeem or change unused stamps that have been rendered unfit for use and refund their value upon proof of destruction. *No credit or refund of taxes or penalties shall be allowed unless the taxpayer files in writing with the Commissioner a claim for credit or refund within two (2) years after the payment of the tax or penalty*: Provided, however, That a return filed showing an overpayment shall be considered as a written claim for credit or refund.
>
> . . . .
>
> SEC. 229. *Recovery of Tax Erroneously or Illegally Collected. – No suit or proceeding shall be maintained in any court for the recovery of any national internal revenue tax hereafter alleged to have been erroneously or illegally assessed or collected,* or of any penalty claimed to have been collected without authority, of any sum alleged to have been excessively or in any manner wrongfully collected without authority, or of any sum alleged to have been excessively or in any manner wrongfully collected, *until a claim for refund or credit has been duly filed with the Commissioner*; but such suit or proceeding may be maintained, whether or not such tax, penalty, or sum has been paid under protest or duress.

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> *In any case, no such suit or proceeding shall be filed after the expiration of two (2) years from the date of payment of the tax or penalty regardless of any supervening cause that may arise after payment*: Provided, however, That the Commissioner may, even without a written claim therefor, refund or credit any tax, where on the face of the return upon which payment was made, such payment appears clearly to have been erroneously paid.
> (Italics, Ours.)

Based on the foregoing provisions, an erroneously paid or illegally collected tax may be refunded if:

1) the taxpayer files in writing with the CIR a claim for credit or refund within two years after the payment of the tax or penalty;

2) the claim for refund must first be filed before the CIR before maintaining a suit or proceeding in any court; and

3) such suit or proceeding shall be filed also within two years from the date of payment of the tax or penalty, regardless of any supervening cause that may arise after payment.

As explained in *Commissioner of Internal Revenue vs. Carrier Air Conditioning Philippines, Inc.*[33] ("*Carrier*"):

> Section 204 refers to the Commissioner of Internal Revenue's administrative authority to credit or refund erroneously paid or illegally collected taxes. Under this provision, an administrative claim for refund or credit must be filed within two years from payment of the tax.
>
> Section 229, on the other hand, requires two conditions for the filing of judicial claims: (1) an administrative claim must be filed first; and (2) the judicial claim must be filed within two years after payment of the tax sought to be refunded.
>
> Reading the two provisions together, *both administrative and judicial claims must be filed within the two-year period.* Furthermore, the *administrative claim must be filed before the judicial claim.* This Court has previously declared that "*[t]imeliness of the filing of the claim is mandatory and jurisdictional.* The [Court of Tax Appeals] cannot take cognizance of a judicial claim for refund filed either prematurely or out of time."

Thus, while *both* administrative and judicial claims must be filed within two years after the payment of the alleged erroneously paid or illegally collected tax, the *filing of the administrative claim must still precede the filing of judicial claim.*

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[33] G.R. No. 226592, July 27, 2021.

Moreover, the tax subject of the refund under *Sections 204(C) and 229 of the Tax Code, as amended,* must be erroneously paid or illegally collected, that is it has been collected without authority, or that of any sum alleged to have been excessively or in any manner wrongfully collected without authority, or of any sum alleged to have been excessively or in any manner wrongfully collected. An "erroneous or illegal tax" is defined as one levied without statutory authority, or upon property not subject to taxation or by some officer having no authority to levy the tax, or one which is some other similar respect is illegal.[34]

In summary, in order for the present claim for refund to prosper, petitioner must show that: 1) the administrative and judicial claims were filed within two years from the payment of tax; and 2) that the tax was erroneously or illegally paid or collected.

Petitioner's administrative and judicial claims were timely filed; thus, the Court acquired jurisdiction in this case.

Petitioner alleges that it paid VAT on the importations of prescription drugs and medicines for diabetes, high cholesterol and hypertension, as well as prescription drugs and medicine for cancer, mental illness and kidney diseases from January 1, 2021 to December 31, 2021, which were supposedly exempt from VAT pursuant to *Section 109(1)(AA) of the Tax Code, as amended by R.A. Nos. 11467 and 11534.*

Counting two years from the alleged earliest payment made, or from January 5, 2021,[35] petitioner had until January 5, 2023 to file both its administrative and judicial claims for refund. Petitioner filed its Application for Tax Credits/Refunds with the BIR on December 29, 2022.[36] and later filed its Petition before the Court on January 4, 2023.[37] Clearly, petitioner timely filed both claims before the two-year prescriptive period lapsed.

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[34] *Commissioner of Internal Revenue v. Pilipinas Shell Petroleum Corp.*, G.R. No. 188497, April 25, 2012.
[35] See Par. 25, Petition for Review, Docket – Vol I, p. 45.
[36] Exhibits "P-741" to "P-742", with sub-markings, Docket – Vol II, pp. 628 to 722.
[37] Docket – Vol. I, pp. 6 to 84.

Petitioner's VAT payments on importation of prescription drugs and medicines for diabetes, high cholesterol, hypertension, cancer, and mental illness for the period January 1, 2021 to December 31, 2021 were erroneous since these importations are exempt from VAT.

Section 109(1)(AA) of the Tax Code, as amended by R.A. Nos. 11467 and 11534, provides that:

> SEC. 109. *Exempt Transactions.* — (1) Subject to the provisions of Subsection 2 hereof, the following transactions shall be exempt from the value-added tax:
>
> . . . .
>
> (AA) Sale or *importation of prescription drugs and medicines for*:
>
> (i) Diabetes, high cholesterol, and hypertension beginning January 1, 2020; and
>
> (ii) Cancer, mental illness, tuberculosis, and kidney diseases beginning January 1, 2021.
>
> Provided, That *the DOH shall issue a list of approved drugs and medicines for this purpose* within sixty (60) days from the effectivity of this Act;

Eventually, *Revenue Regulations ("RR") No. 04-21* was issued to implement the amendment to *Section 109* introduced by *R.A. No. 11534*, as follows:

> SEC. 4.109-1. *VAT-Exempt Transactions.* —
>
> . . . .
>
> (B) *Exempt transactions.* —
>
> . . . .
>
> (aa) Sale or importation of prescription drugs and medicines for:
>
> (i) Diabetes, high cholesterol, and hypertension beginning January 1, 2020; and
>
> (ii) Cancer, mental illness, tuberculosis, and kidney diseases beginning January 1, 2021.

> The exemption from VAT under this subsection shall only apply to the sale or importation by the manufacturers, distributors, wholesalers and retailer of drugs and medicines included in the "list of approved drugs and medicines" issued by the Department of Health (DOH) for this purpose.

Based on the foregoing, the sale or importation of prescription drugs and medicines enumerated under *Section 109(1)(AA) of the Tax Code, as amended by R.A. Nos. 11467 and 11534*, are exempt from VAT if the following elements concur:

1) the products sold or imported are prescription drugs and medicines for treatment of diabetes, high cholesterol, hypertension, cancer, mental illness, tuberculosis, and kidney diseases;

2) the sale or importation was made on January 1, 2020 onwards for prescription drugs and medicines for treatment of diabetes, high cholesterol, and hypertension and on January 1, 2021 onwards for prescription drugs and medicines for treatment of cancer, mental illness, tuberculosis, and kidney diseases; and

3) the prescription drugs and medicines sold or imported must be included in the "list of approved drugs and medicines" issued by the Department of Health ("DOH")-Food and Drug Administration ("FDA").

However, petitioner alleges that it imported the following prescription drugs and medicines for diabetes, high cholesterol, hypertension, cancer, mental illness, and kidney diseases from January 1, 2021 to December 31, 2021, but still paid VAT thereon in the total amount of ₱81,970,841.12:

Brand Name	**Generic Name**	**Dosage Strength and Form**	**Disease Treated**
Ambesyl	Amlodipine	10 MG Tablet	Hypertension
		5 MG Tablet	
None (No Brand Name)	Carvedilol	25 MG Tablet	Hypertension
None (No Brand Name)	Metoprolol Tartrate	100 MG TABLET	Hypertension
Avamax	Atorvastatin	10 MG Film Coated Tablet	High Cholesterol
		20 MG Film Coated Tablet	
		40 MG Film Coated Tablet	
None (No Brand Name)	Bisoprolol Fumarate	5 MG Film-Coated Tablet	Hypertension
Cardiovasc	Amlodipine	10 MG Tablet	

		5 MG Tablet	High Cholesterol
Co-Tareg	Valsartan+ Hydrochlorothiazide	160/12.5 MG Tablet 80/12.5 MG Tablet	Hypertension
Cresart	Olmesartan Medoxomil	20 MG Film-Coated Table 40 MG Film-Coated Tablet	Hypertension
Ekosart	Losartan Potassium	100 MG Film-Coated Tablet 50 MG Film-Coated Tablet	Hypertension
Frepan	Candesartan Cilexetil	16 MG Tablet 8 MG Tablet	Hypertension
None (No Brand Name)	Gliclazide	30 MG Modified Release Tablet	Diabetes
Gabi	Pregabalin	75 MG Capsule	Nerve Pain-Hypertension
None (No Brand Name)	Glimepiride	3 MG Tablet	Diabetes
Gluconex Mr	Gliclazide	30 MG Modified-Released Tablet	Diabetes
Irbenox	Irbesartan	150 MG Film-Coated Tablet	Hypertension
Isormed	Isosorbide Mononitrate	60 MG Sustained-Release Tablet	Chest pain-Hypertension
Lifezar	Losartan Potassium	100 MG Film-Coated Table 50 MG Film -Coated Tablet	Hypertension
Lodine	Felodipine	5 MG Modified-Release Tablet	Hypertension
None (No Brand Name)	Losartan Potassium	100 MG Film-Coated Tablet 50 MG Film-Coated Tablet	Hypertension
Prolohex	Metroprolol Tartrate	100 MG Film-Coated Tablet	Hypertension
Prostera	Terazosin	2 MG Tablet 5 MG Tablet	Hypertension
Rimepril	Glimepiride	2 MG Tablet 3 MG Tablet	Diabetes
None (No Brand)	Felodipine	5 MG Modified-Release Tablet	Hypertension
None (No Brand Name)	Amlodipine	10 MG Tablet 5 MG Tablet	High Cholesterol
None (No Brand)	Pregabalin	75 MG Capsule	Diabetes

None (No Brand Name)	Rosuvastatin	10 MG Film-Coated Tablet	High Cholesterol
		20 MG Film-Coated Tablet	
None (No Brand)	Terazosin	2 MG Tablet	Hypertension
None (No Brand Name)	Terazosin	5 MG Tablet	Hypertension
None (No Brand Name)	Glimepiride	2 MG Tablet	Diabetes
		3 MG Tablet	
Robestar	Rosuvastatin	10 MG Film Coated Tablet	High Cholesterol
		20 MG Film Coated Tablet	
Rosalta	Rosuvastatin	20 MG Film Coated Tablet	High Cholesterol
None (No Brand Name)	Verapamil Hydrochloride	240 MG Sustained Released Tablet	Hypertension
Simvas	Simvastatin	20 MG Film-Coated Tablet	High Cholesterol
Tareg	Valsartan	160 MG Tablet	Hypertension
		80 MG Tablet	
Valcamp	Amlodipine+Valsartan	10 MG/160 MG Film-Coated Tablet	Hypertension
		5 MG/80 MG Film-Coated Tablet	
		5 MG/ 160 MG Film-Coated Tablet	
Veral	Verapamil Hydrochloride	240 MG Sustained-Release Tablet	Hypertension
None (No Brand)	Verapamil Hydrochloride	240 MG Sustained-Release Tablet	Hypertension
Vidastat	Simvastatin	20 MG Film-Coated Tablet	High Cholesterol
Vivasartan	Losartan Potassium	50 MG Film-Coated Tablet	Hypertension
		100 MG Film-Coated Tablet	
None (No Brand Name)	Atorvastatin	40 MG Film-Coated Tablet	High Cholesterol
Xantor	Atorvastatin	20 MG Film-Coated Tablet	High Cholesterol
		10 MG Film-Coated Tablet	
		40 MG Film-Coated Tablet	
Atajec	Mycophenolate Mofetil	50 MG Film-Coated Tablet	Kidney Diseases

None (No Brand)	Paclitaxel	6 MG/ML	Cancer
Arizopress	Aripiprazole	10 MG TABLET	Mental Illness
Zofran	Ondansetron	2 MG/ML Solution for Injection (I.M./I.V.)	Cancer
Xaliptine	Oxaliplatin	5 MG/ML	Cancer
Esitalo	Escitalopram	10 MG Film-Coated Tablet	Mental Illness
Zarzio	Filgrastim	30 MU/0.5 ML Solution for Injection/Infusion (SC/IV)	Cancer
Bioclavid	Co-Amoxiclav	1 G Film-Coated Tablet	Kidney Disease
Zenith	Azithromycin	500 MG Film-Coated Tablet	Kidney Disease
Paizu	Piperacillin+Tazobactam	2 G/250 MG Powder for Injection (I.V.)	Kidney Disease
Amoclav	Co-Amoxiclav	156.25 MG/ 5 ML Powder for Oral Suspension 312.5 MG/ 5 ML	Kidney Disease
Arinib	Anastrozole	1 MG Film-Coated Tablet	Cancer
None (No Brand)	Azithromycin	500 MG Film-Coated Tablet	Kidney Disease
Azyth	Azithromycin	500 MG Film-Coated Tablet	Kidney Disease
Fenahex	Tamoxifen	20 MG Tablet	Cancer
Excillin	Ampicillin	250 MG Powder for Injection (I.M./I.V) 500 MG Powder for Injection (I.M/I.V)	Kidney Disease
Bioclavid	Co-Amoxiclav	625 MG Film-Coated Tablet	Kidney Disease
Ebedoxo	Doxorubicin Hydrochloride	50 MG/25 ML Solution for Injection	Cancer
Arostanil	Exemestane	25 MG Film-Coated Tablet	Cancer
Aumox	Co-Amoxiclav+Clavulanic Acid	625 MG Film-Coated Tablet	Kidney Diseases

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In support of its claim, petitioner submitted the corresponding FDA-issued Certificates of Product Registration ("CPR"),[38] commercial invoices,[39] Single Administrative Documents ("SADs"),[40] and Statements of Settlement of Duties and Taxes ("SSDTs"),[41] which were all examined by the Court-commissioned ICPA.[42]

Testing petitioner's compliance with the *first* element, while it is notable that majority of commercial invoices and SADs submitted by petitioner reflects only the brand names, the corresponding generic names of each can, however, be cross-referred and verified in the FDA-issued CPRs of each brand, specifying the medicine's brand name, generic name, dosage, and form. In support thereto is the testimony of petitioner's witness Mary Ann Evangelista, M.D. ("Dr. Evangelista"), that the foregoing product brands, with their corresponding generic names, are used for treatment of diabetes, high cholesterol, hypertension, cancer, mental illness, and kidney disease.[43]

Further, compliance with the *third* element can also confirm if the foregoing medicines imported by petitioner are indeed used for treatment of diabetes, high cholesterol, hypertension, cancer, mental illness, and kidney disease, considering that the DOH-FDA provides a list of medicines which treat these particular diseases. Hence, We take reference from *RMC No. 81-2021,* which circularized the List of VAT-Exempt Products issued by the FDA of the DOH on June 17, 2021. These listings were updated by *RMC Nos. 103-2021, 5-2022, 124-2021* for the year 2021. However, the listings provided only the generic names, dosage, and forms of the VAT-exempt medicines.

Nevertheless, as noted earlier, the generic names of the medicine brands imported by petitioner can be confirmed from the medicine's FDA-issued CPR, which can then be matched with the DOH-FDA list of medicines.

Thus, in compliance with the *third* element, the foregoing medicines imported by petitioner, on the basis of the generic names either: (1) as reflected on the commercial invoices or SADs itself; or (2) as can be confirmed in the medicine brand's corresponding FDA-issued CPR, are verified to be included in the respective DOH-FDA lists of medicines for diabetes, high cholesterol, hypertension, cancer, and mental illness.

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[38] Exhibits "P-771" to "P-809", "P-811" to "P-844", "P-846" to "P-868" and "P-1007" (USB marked as Exhibit "P-903-2"); Exhibits "P-810" and "P-845", Docket – Vol. II, pp. 741 to 743.
[39] Exhibits "P-1009-A.1" to "P-1009-A.215".
[40] Exhibits "P-1009-B.1" to "P-1009-B.185".
[41] Exhibits "P-1009-C.1" to "P-1009-C.185".
[42] As summarized in Exhibit "P-1009".
[43] Exhibit "P-900" (Q&A No. 20, Judicial Affidavit of Mary Ann Evangelista, M.D.), Docket – Vol. I, pp. 141 to 155.

Based on the foregoing, and after perusing the documents submitted by petitioner, the following disallowances on the following grounds, in the total amount of ₱18,321,551.91, were found by the Court:

1. VAT payments, aggregating ₱963,620.80, for the following medicine brands must be disallowed for failure of petitioner to provide their corresponding FDA-issued CPRs. Consequently, the Court cannot verify their respective generic names which can be cross-matched with the DOH-FDA list of VAT-exempt medicines.

Item Description	VAT Payment	Exhibit Reference No.	Commercial Invoice No.	Exhibit Reference No.	IEIRD/ SAD No.	Exhibit Reference No.	SSDT No.	SSDT Date
RIMSTAR 4-FDC FCT 60'S (IFG)	₱275,814.38	P-1009-A.101	4190620893	P-1009-B.85	87821	P-1009-C.85	R 451461	07/12/2021
AMPICIN 250MG 1PSOIJ PH	183,308.59	P-1009-A.190	4190642443	P-1009-B.163	158410	P-1009-C.163	R 803972	12/02/2021
AMPICIN 500MG 1PSOIJ PH	504,497.83	P-1009-A.191	4190633882	P-1009-B.164	377091	P-1009-C.164	R 529438	12/03/2021
Total	**₱963,620.80**							

2. VAT payments, aggregating ₱2,135,671.17, for importation of medicines allegedly for kidney disease must be disallowed as these medicines are not included in the DOH-FDA list of VAT-exempt medicines for kidney disease:

Item Description	VAT Payment	Exhibit Reference No.	Commercial Invoice No.	Exhibit Reference No.	IEIRD/ SAD No.	Exhibit Reference No.	SSDT No.	SSDT Date
BIOCLAVID 1000MG TAB 14'S	₱ 114,301.94	P-1009-A.152	4190633183	P-1009-B.128	130949	P-1009-C.128	R 677295	10/06/2021
ZENITH 500MG 30FCT PH	418,998.35	P-1009-A.159	4190635575	P-1009-B.134	137028	P-1009-C.134	R 704890	10/19/2021
PAIZU 2,25G 1PSOIJ PH	150,638.72	P-1009-A.163	4190636241	P-1009-B.138	138550	P-1009-C.138	R 710508	10/21/2021
AMOCLAV 250MG+62.5 MG/5ML 60ML 1POS PH	61,508.53	P-1009-A.166	4190629529	P-1009-B.141	331695	P-1009-C.141	R 467511	10/27/2021
AMOCLAV 125MG+31.2 5MG/5ML 60ML 1POS PH	56,192.20	P-1009-A.167	4190629530		331695		R 467511	10/27/2021
RITEMED AZITHROM YCIN	213,900.12	P-1009-A.176	4190639429	P-1009-B.149	148751	P-1009-C.149	R 759661	11/12/2021

500MG 30FCT PH								
AZITHROMYCIN 1HDR 500MG 3FCT PH	471,548.76	P-1009-A.182	4190640712	P-1009-B.155	154130	P-1009-C.155	R 784051	11/23/2021
AUMOX 625MG 100FCT ST PH	648,582.55	P-1009-A.199	4190645522	P-1009-B.172	162922	P-1009-C.172	R 826655	12/13/2021
Total	**₱2,135,671.17**							

3. VAT payments, aggregating ₱974,290.92, from the importation of the following medicines must be disallowed as the description reflected in their respective commercial invoices and SADs, indicating the medicine's dosage in "500 kg", do not match the medicine's dosage as reflected on FDA-issued CPR,[44] nor can said medicine dosage be verified in the DOH-FDA list of medicines on diabetes.

Item Description	VAT Payment	Exhibit Reference No.	Commercial Invoice No.	Exhibit Reference No.	IEIRD/ SAD No.	Exhibit Reference No.	SSDT No.	SSDT Date
GLICLAZIDE 500KG	₱318,034.19	P-1009-A.30	SDKY-20210227	P-1009-B.25	25246	P-1009-C.25	R 31246	03/22/2021
Gliclazide 500 KG	311,874.55	P-1009-A.81	SDKY-20210511	P-1009-B.67	184594	P-1009-C.67	R 260636	06/18/2021
GLICLAZIDE API	344,382.18	P-1009-A.123	SDKY-20210713	P-1009-B.103	75093	P-1009-C.103	R 92654	08/16/2021
Total	**₱974,290.92**							

4. VAT payments, aggregating ₱220,627.57, from the importation of the following medicines must be disallowed as the description reflected in their respective commercial invoices and SADs, indicating the medicine's form in "56HGC V1", do not match the medicine's form as reflected on their respective FDA-issued CPRs,[45] nor can said medicine form be verified in the DOH-FDA list of medicines on diabetes.

Item Description	VAT Payment	Exhibit Reference No.	Commercial Invoice No.	Exhibit Reference No.	IEIRD/ SAD No.	Exhibit Reference No.	SSDT No.	SSDT Date
RM PREGABALIN 75MG 56HGC V1 PH	₱ 71,709.56	P-1009-A.202	4190645987	P-1009-B.175	164375	P-1009-C.175	R 832686	12/15/2021
GABI 75MG 56HGC V1 PH	148,918.01	P-1009-A.203	4190645986		164375		R 832686	12/15/2021
Total	**₱220,627.57**							

[44] Exhibit "P-791".
[45] Exhibits "P-811" and "P-792".

5. VAT payments, aggregating ₱12,487,755.50, for the importation of the following medicine brands must be disallowed as the description in their respective commercial invoices and SADs, indicating the medicine brand in "tablet", "film-coated tablet", or "prolonged-release tablet" forms, do not match the medicine forms as declared in their respective FDA-issued CPRs. As such, the Court cannot verify whether the following medicine brands exist in tablet, film-coated tablet, or prolonged-release tablet forms.

Item Description	**VAT Payment**	**Exhibit Ref. for FDA-issued CPR**	**Exhibit Ref. No.**	**Commercial Invoice No.**	**Exhibit Ref. No.**	**IEIRD/ SAD No.**	**Exhibit Ref. No.**	**SSDT No.**	**SSDT Date**
XANTOR 10MG 100FCT PH	₱ 136,758.78	P-835	P-1009-A.6	4190590834	P-1009-B.3	1756	P-1009-C.3	R 7925	01/07/2021
XANTOR 40MG TAB 100S	272,616.57	P-836	P-1009-A.8	4190590841	P-1009-B.4	1743	P-1009-C.4	R 6697	01/06/2021
LODINE 5MG 100PRT PH	88,794.26	P-799	P-1009-A.15	4190594467	P-1009-B.11	9332	P-1008-C.11	R 47070	01/26/2021
CO-TAREG 80+12.5MG 28FCT PH	176,056.15	P-784	P-1008-A.18	4190595843	P-1009-B.13	14494	P-1009-C.13	R 70840	02/05/2021
TAREG 80MG 28FCT PH	623,552.06	P-824	P-1008-A.19	4190596126	P-1009-B.14	15392	P-1009-C.14	R 76066	02/08/2021
VERAL 240MG 100PRT UD PH	121,309.14	P-828	P-1008-A.20	4190596650	P-1009-B.15	15397	P-1009-C.15	R 76068	02/08/2021
TAREG 160MG 28FCT PH	932,986.98	P-823	P-1009-A.26	4190601081	P-1009-B.21	27803	P-1009-C.21	R 131654	03/08/2021
TAREG 80MG 28FCT PH	843,816.96	P-824	P-1009-A.27	4190601512	P-1009-B.22	28991	P-1009-C.22	R 136365	03/10/2021
XANTOR 20MG 100FCT PH	208,550.39	P-834	P-1009-A.51	4190606311	P-1009-B.42	45199	P-1009-C.42	R 213745	04/13/2021
PROLOHEX 100MG TAB 100'S (IFG)	91,468.94	P-802	P-1009-A.64	4190599577	P-1009-B.53	124823	P-1009-C.53	R 178603	04/29/2021
TAREG 160MG 28FCT PH	891,036.58	P-823	P-1009-A.80	4190617084	P-1009-B.66	74434	P-1009-C.66	R 380182	06/16/2021
TAREG 80MG 28FCT PH	1,730,753.88	P-824	P-1009-A.85	4190616922/ 4190616921	P-1009-B.71	74079	P-1009-C.71	R 376920	06/15/2021
CO-TAREG 160+12.5MG 28FCT PH	391,839.25	P-783	P-1009-A.87	4190618137	P-1009-B.73	80130	P-1009-C.73	R 410249	06/28/2021
LODINE 5MG 100PRT PH	179,598.95	P-799	P-1009-A.104	4190621166	P-1009-B.88	88220	P-1009-C.88	R 453524	07/13/2021

XANTOR 10MG 100FCT PH	58,603.56	P-835	P-1009-A.114	4190620143	P-1009-B.96	89007	P-1009-C.96	R 457077	07/14/2021
XANTOR 40MG TAB 100S	373,518.57	P-836	P-1009-A.122	4190627069	P-1009-B.102	105742	P-1009-C.102	R 551716	08/17/2021
VERAL 240MG 100PRT UD PH	127,004.79	P-828	P-1009-A.147	4190630794	P-1009-B.123	122290	P-1009-C.123	R 640810	09/20/2021
TAREG 80MG 28FCT PH	864,399.69	P-824	P-1009-A.150	4190631531	P-1009-B.126	124003	P-1009-C.126	R 646906	09/22/2021
ISORMED 60MG 50PRT PH	210,652.05	P-796	P-1009-A.151	20210927 001	P-1009-B.127	128600	P-1009-C.127	R 666981	10/01/2021
SIMVAS 20MG UD TAB 100'S_PH	103,574.49	P-822	P-1009-A.156	4190633899	P-1009-B.132	131875	P-1009-C.132	R 680359	10/07/2021
VIDASTAT 20MG UD TAB 100'S	174,107.65	P-830	P-1009-A.157	4190633900		131875		R 680359	10/07/2021
TAREG 160MG 28FCT PH	565,152.93	P-823	P-1009-A.162	4190634947	P-1009-B.137	134334	P-1009-C.137	R 691858	10/13/2021
XANTOR 40MG TAB 100S	431,511.24	P-836	P-1009-A.168	4190637669	P-1009-B.142	143012	P-1009-C.142	R 734670	11/02/2021
XANTOR 20MG TAB 100S	130,841.85	P-834	P-1009-A.185	4190639943	P-1009-B.158	153002	P-1009-C.158	R 780808	11/22/2021
XANTOR 20MG TAB 100S	104,533.42	P-834	P-1009-A.193	4190643294	P-1009-B.166	159717	P-1009-C.166	R 812117	12/06/2021
RTM VERAPAMIL 240MG 100PRT UD PH	113,321.69	P-821	P-1009-A.208	4190646351	P-1009-B.180	166460	P-1009-C.180	R 844101	12/20/2021
CO-TAREG 80+12.5MG 28FCT PH	147,573.14	P-784	P-1009-A.213	4190646618	P-1009-B.183	167037	P-1009-C.183	R 846234	12/21/2021
TAREG 80MG 28FCT PH	2,393,821.53	P-823	P-1009-A.215	4190646433/ 4190646434	P-1009-B.185	170036	P-1009-C.185	R 860344	12/28/2021
Total	**₱12,487,755.50**								

6. VAT payments, aggregating ₱1,318,520.04, for the importation of the following medicine brands must be disallowed as the description in their respective commercial invoices and SADs, indicating the medicine brand in "80mg" dosage, do not match the medicine dosage as declared in their respective FDA-issued CPRs (*i.e.* in 10mg, 20mg, and 40mg dosages).[46] As such, the Court cannot verify whether the following medicine brands exist in 80mg dosage.

[46] Exhibits "P-776" to "P-778".

Item Description	VAT Payment	Exhibit Reference No.	Commercial Invoice No.	Exhibit Reference No.	IEIRD/ SAD No.	Exhibit Reference No.	SSDT No.	SSDT Date
AVAMAX 80MG 30FCT UD PH	₱ 188,046.13	P-1009-A.2	4190582182	P-1009-B.1	3785	P-1009-C.1	R 4400	01/05/2021
AVAMAX 80MG 30FCT UD PH	198,375.14	P-1009-A.10	4190593286	P-1009-B.6	7319	P-1009-C.6	R 36139	01/20/2021
AVAMAX 80MG 30FCT UD PH	179,647.85	P-1009-A.119	4190622579	P-1009-B.99	93747	P-1009-C.99	R 483174	07/23/2021
AVAMAX 80MG 30FCT UD PH	310,392.61	P-1009-A.154	4190634476	P-1009-B.130	132909	P-1009-C.130	R 686904	10/11/2021
AVAMAX 80MG 30FCT UD PH	298,726.98	P-1009-A.194	4190643504	P-1009-B.167	159716	P-1009-C.167	R 812115	12/06/2021
AVAMAX 80MG 30FCT UD PH	143,331.33	P-1009-A.198	4190645414	P-1009-B.171	162824	P-1009-C.171	R 826653	12/13/2021
Total	**₱1,318,520.04**							

7. Importation of Ritemed Felodipine 5mg prolonged-release tablet, with VAT due amounting to ₱108,477.87 per SAD,[47] must be disallowed as the supporting SSDT does not reflect the amount of VAT payment.[48]

8. Importation of RTM Verapamil 240mg prolonged-release tablet, with VAT payment amounting to ₱112,588.04,[49] must be disallowed as medicine's form (in prolonged-release tablet), based on its commercial invoice and SAD,[50] is not included in the DOH-FDA list of VAT-exempt medicine for hypertension.

Finally, with respect to the *second* element, the documents show that the importations were made beyond January 1, 2020, for medicines used for treatment of diabetes, high cholesterol, and hypertension, and January 1, 2021, for medicines used for treatment of cancer, and mental illness, with January 5, 2021 as the earliest payment made based on petitioner's submitted SSDTs.

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47 Exhibit "P-1009-B.20".
48 Exhibit "P-1009-C.20".
49 Exhibit "P-1009-C.47".
50 Exhibits "P-1009-A.57" and "P-1009-B.47".

In summary, out of the total VAT payment on importation of medicines for treatment of diabetes, high cholesterol, hypertension, cancer, mental illness, and kidney diseases being claimed for refund by petitioner amounting to ₱81,970,841.12 for the period January 1, 2021 to December 31, 2021, only the amount of ₱63,649,289.21, as computed below, are proven to be exempt from VAT in accordance with *Section 109(1)(AA) of the Tax Code, as amended by R.A. Nos. 11467 and 11534, and RR No. 04-2021.*

Total VAT payment made on importation of alleged VAT-exempt medicines	₱81,970,841.12
Less: Disallowances by the Court	18,321,551.91
VAT payment made on importation of VAT-exempt medicines as verified by the Court	**₱63,649,289.21**

Meanwhile, as verified by the ICPA, the total VAT payments made on the importation of the foregoing VAT-exempt medicines were not declared in petitioner's quarterly VAT returns for TY 2021,[51] thus negating the possibility of petitioner claiming the foregoing VAT payments as credits against any output tax.

Considering that there were VAT payments made, in the amount of ₱63,649,289.21, on supposedly VAT-exempt importation of medicines during the taxable year 2021, the same becomes erroneous and must indeed be refunded to petitioner.

ACCORDINGLY, in light of the foregoing considerations, the *Petition for Review* is **PARTIALLY GRANTED**. Respondent is ordered to **REFUND** or **ISSUE A TAX CREDIT CERTIFICATE** in favor of petitioner its erroneously paid VAT, in the reduced amount of **₱63,649,289.21**, on its importations of prescription drugs and medicines for diabetes, high cholesterol and hypertension, as well as prescription drugs and medicine for cancer and mental illness, during the period January 1, 2021 to December 31, 2021.

SO ORDERED.

MARIA ROWENA MODESTO-SAN PEDRO
Associate Justice

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[51] Exhibit "P-903" (ICPA Report, pp. 51 to 54); Exhibits "P-1010", "P-763" and "P-1013" to "P-1015".

WE CONCUR:

MA. BELEN M. RINGPIS-LIBAN
Associate Justice

CORAZON G. FERRER-FLORES
Associate Justice

CERTIFICATION

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

MA. BELEN M. RINGPIS-LIBAN
Presiding Justice