REPUBLIC OF THE PHILIPPINES
Court of Tax Appeals
QUEZON CITY

Third Division

PHILIPPINE AIRLINES, INC. (PAL), Petitioner,	**CTA CASE NOS. 7152, 7155, 7235, 7247, 7305, 7454 and 7518**
-versus-	Members: **BAUTISTA,** *Chairperson* **FABON-VICTORINO,** *and* **RINGPIS-LIBAN,** *JJ.*
COMMISSIONER OF INTERNAL REVENUE and COMMISSIONER OF CUSTOMS, Respondents.	**Promulgated:** APR 13 2015 3:02 p.m.

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RESOLUTION

For resolution are respondent Commissioner of Internal Revenue ("CIR")'s "Motion for Reconsideration (Re: Resolution promulgated 24 February 2015)" filed on March 9, 2015; and petitioner's "Opposition (to Respondent Commissioner of Internal Revenue's Motion for Reconsideration [Re: Resolution promulgated 24 February 2015])" filed on March 23, 2015.

On February 24, 2015, the Court issued a Resolution granting petitioner's "Motion for Reconsideration of the Decision dated 22 October 2014" and "Supplement (To Petitioner's *Motion for Reconsideration* dated 10 November 2014)" by setting a hearing for the presentation of petitioner's additional evidence.

In its "Motion for Reconsideration (Re: Resolution promulgated 24 February 2015)," respondent CIR avers that the reopening of trials is available only before judgment, which is not feasible at this point since the Court already rendered a decision last October 22, 2014; that petitioner is trying to alter its theory that "local available supply" should exclude importations; and that petitioner should no longer be allowed to present additional evidence since its purpose is merely to afford the Court the fullest opportunity to rule on the merits of the case.

On March 20, 2015, the Court rendered a Resolution ordering petitioner to file its Comment to respondent's "Motion for Reconsideration (Re: Resolution promulgated 24 February 2015)" within ten (10) days from receipt thereof.

In its "Opposition (to Respondent Commissioner of Internal Revenue's Motion for Reconsideration [Re: Resolution promulgated 24 February 2015])," petitioner maintains that it is not altering its theory regarding the coverage of the term "locally available supply;" that the re-opening of trial is based on the paramount interest of justice, which rests upon the sound discretion of the Court; and that re-opening of a case may be made even after judgment but before finality thereof.

In the case of *Peñoso v. Macrosman Dona*[1], the Supreme Court stated that the emerging trend in court rulings is to afford party litigants the amplest opportunity for the proper and just determination of their causes, free from the constraints of technicalities. Therefore, rules must not be applied rigidly so as not to override substantial justice.

Therefore, in the interest of substantial justice, respondent CIR's "Motion for Reconsideration (Re: Resolution promulgated 24 February 2015)" is hereby **DENIED**. Petitioner's "Opposition (to Respondent Commissioner of Internal Revenue's Motion for Reconsideration [Re: Resolution promulgated 24 February 2015])"is hereby **GRANTED**.

WHEREFORE, let the hearing scheduled on **<u>April 6, 2015 at 1:30 P.M.</u>** be reset to **<u>May 26, 2015 at 9:00 A.M.</u>** for the presentation of any newly discovered evidence for petitioner, which it could not, with reasonable diligence, have discovered and produced at the trial and would probably alter the result of the October 22, 2014 Decision.

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[1] G.R. No. 154018, April 3, 2007, 520 SCRA 232.

SO ORDERED.

LOVELL R. BAUTISTA
Associate Justice

ESPERANZA R. FABON-VICTORINO
Associate Justice

MA. BELEN M. RINGPIS-LIBAN
Associate Justice