REPUBLIC OF THE PHILIPPINES
Court of Tax Appeals
QUEZON CITY

Special Second Division

PROMESSO BUSINESS SOLUTIONS CORP.
Petitioner,

-versus-

COMMISSIONER OF INTERNAL REVENUE,
Respondent.

CTA CASE NO. 10529

Members:

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

Promulgated:

x -- x

DECISION

MODESTO-SAN PEDRO, J.:

The Case

Before the Court is a Petition for Review,[1] filed on May 24, 2021 by petitioner Promesso Business Solutions Corp. against respondent Commissioner of Internal Revenue ("CIR"), praying that the Court cancel the deficiency assessment on Income Tax, Value-Added Tax (VAT), Expanded Withholding Tax (EWT), Improperly Accumulated Earnings Tax, and Compromise Penalty for the taxable period January 1, 2015 to December 31, 2015 in the total amount of Sixty Nine Million Four Hundred Eighteen Thousand Seven Hundred Eighteen & 45/100 (₱69,418,718.45) issued against petitioner.

The Parties

Petitioner Promesso Business Solutions Corp. is a domestic corporation duly organized and existing under the laws of the Republic of the Philippines with principal address at B1 Lot 4, Monterey Street, Mission Hills San Roque,

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[1] Docket, Vol. I, pp. 12-102.

Antipolo City, with Bureau of Internal Revenue Certificate of Registration No. OCN: 3RC0000998649.[2]

Respondent is the duly appointed Commissioner of Internal revenue, vested with authority to act as such, including among others, the power to authorize the examination of taxpayer's books of accounts and to issue and decide deficiency assessments of internal revenue taxes. He may be served with summons and other legal processes at the BIR National Office Building, Agham Road, Diliman, Quezon City.

The Facts

On June 16, 2017, petitioner received Letter of Authority (LOA) No. SN: eLA201500015234/LOA-045-2017-00000222, dated May 30, 2017,[3] through BIR Revenue Region No. 7 – Quezon City, Revenue District No. 45 – Marikina. The LOA gave authority to Revenue Officer (RO) Ma. Christina Simbran and Group Supervisor (GS) Jeamil Bangcola to examine petitioner's books of accounts and other accounting records for all internal revenue taxes, including Documentary Stamp Tax and other taxes from the period from January 1, 2015 to December 31, 2015.

On December 26, 2018, petitioner received a copy of the Preliminary Assessment Notice (PAN) dated December 7, 2018[4] finding petitioner liable for deficiency Income Tax, VAT, EWT, and Improperly Accumulated Earnings Tax for Taxable Year (TY) 2015.

On January 3, 2019, respondent received petitioner's reply to the PAN dated December 26, 2018,[5] requesting for reinvestigation of the alleged deficiency taxes for TY 2015.

A Final Assessment Notice (FAN) accompanied by Formal Letter of Demand (FLD) No. 045-2018-B029-15 dated January 7, 2019[6] was later received by petitioner. Through the FLD, respondent sought to collect deficiency taxes covering the alleged tax deficiencies of petitioner.

Petitioner thereafter filed a protest[7] to the FLD/FAN insisting that there is no basis on the findings of deficiency taxes in the assessments made in the PAN and once against requested for reinvestigation.

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2 Docket, Vol. II, pp. 679-686.
3 BIR Records, p. 2.
4 BIR Records, pp. 352-353.
5 Docket, Vol. I, pp. 56-64.
6 BIR Records, pp. 414-425.
7 Docket Vol. I, pp. 65-73.

On March 17, 2021, petitioner received a Final Decision on Disputed Assessment (FDDA)[8] which was issued by respondent on even date. The FDDA directed petitioner to either settle the alleged tax deficiencies or to appeal the final decision with the Court of Tax Appeals within 30 days from receipt, or until April 16, 2021.

Aggrieved, petitioner thus filed the instant Petition for Review[9] dated April 14, 2021 on May 24, 2021.

A Resolution[10] dated June 17, 2021 was thereafter issue by the CTA Third Division stating that petitioner failed to comply with Sections 4 and 6 of Rule 7 of A.M. No. 19-10-20-SC, otherwise known as the Amendments to the 1997 Rules of Civil Procedure. Thus, the Resolution ordered petitioner to submit the necessary requirements in compliance with the foretasted provisions within five days from notice.

In response, petitioner filed a Motion for Extension of Time to Submit Compliance to Order in Resolution dated June 17, 2021.[11] In said motion, petitioner sought for an additional 15 days from July 6, 2021, or until July 21, 2021.

On July 6, 2021, petitioner filed a Compliance (to Resolution dated 17 June 2021),[12] attaching the amended Verification and Certification and attached therein the judicial affidavit of Ms. Mariane M. Vergara in Lieu of Direct Testimony.

Petitioner then filed another Compliance, dated July 15, 2021 on July 16, 2021[13] submitting the Judicial Affidavit of Ms. Mercedes P. Evangelista in lieu of direct testimony.

On November 16, 2021, petitioner filed an Urgent Omnibus Motion [to] Suspend Collection of Taxes and to Lift Warrant of Distraint and/or Levy & Garnishment.[14]

A third Compliance dated December 1, 2021[15] was filed by petitioner on even date submitting with the Court the Supplemental Judicial Affidavit of Ms. Mariane M. Vergara in lieu of direct testimony.

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8 BIR Records, pp. 820-826.
9 *Supra* at 1.
10 Docket, Vol. I, p. 104-105.
11 *Id*, pp. 106-108.
12 *Id*, pp. 109-442.
13 *Id*, pp. 261-378.
14 *Id*, pp. 380-389.
15 *Id*, pp. 397-442.

After a hearing on the Urgent Omnibus Motion, held on December 7, 2021,[16] petitioner filed a Formal Offer of Evidence in support of said Motion on December 20, 2021.[17]

On February 18, 2022, respondent filed a Motion for Extension of Time to File Answer dated January 4, 2022.[18] In this Motion, respondent prayed that the Court grant an additional period of 30 days from January 5, 2022, or until February 4, 2022 within which to file an answer in view of the necessary BIR records not yet being in the possession of respondent's handling counsel. The same was eventually granted by the Court through a Resolution dated February 28, 2022.[19]

In respondent's Answer dated January 25, 2022 and filed via registered mail on January 27, 2021,[20] he prayed for the Court to order the dismissal of the Petition for Review for Lack of Merit; direct petitioner to pay the delinquent taxes inclusive of interest; and for petitioner's Urgent Omnibus Motion to be denied.

This Court thereafter issued a Resolution dated May 16, 2022[21] denying petitioner's Urgent Omnibus Motion to Suspend Collection of Taxes and to Lift Warrant of Distraint and/or Levy & Garnishment. In Response thereto, petitioner filed a Motion for Reconsideration of the Resolution dated May 16, 2022 on June 14, 2022.[22]

Both parties subsequently submitted their Pre-Trial Briefs. Respondent filing his on June 23, 2022,[23] while petitioner's was filed the following day, or on June 24, 2022.[24]

Petitioner's Motion for Reconsideration of the Resolution dated May 16, 2022 was then granted by the Court through another Resolution promulgated on October 11, 2022.[25] In effect, the Court enjoined and prohibited respondent from implementing the Warrant of Distraint and/or Levy & Garnishment issued on petitioner's bank deposits and from collecting against petitioner the tax liability under dispute.

On November 15, 2022, the Court issued the Pre-Trial Order.[26] Pre-Trial was thus deemed terminated.

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16 *Id*, p. 446.
17 *Id,* p. 454-458.
18 *Id,* pp. 465-466.
19 *Id,* pp. 480-481.
20 *Id,* pp. 482-487.
21 *Id,* pp. 496-501.
22 *Id,* pp. 502-.518.
23 *Id,* pp. 519-523.
24 *Id,* pp. 526-533.
25 *Id,* pp. 548-555.
26 Docket, Vol. II, pp. 679-686.

Petitioner thereafter filed its Formal Offer of Evidence dated October 3, 2023[27] on the same day. All of which, except for Exhibits "P-5", "P-68", "P-72" and "P-3236", were eventually admitted through a Resolution dated November 11, 2023.[28]

Respondent formally offered its evidence on April 19, 2024,[29] all of which were admitted through the same Resolution dated November 11, 2023.[30]

On November 26, 2024, the CTA Second Division issued a Minute Resolution ordering both parties to file their respective Memorandum within 30 days from notice.[31]

Petitioner's Memorandum was filed on February 4, 2025[32] while respondent's could not be found in the records on hand.

Hence, this decision.

Issue[33]

As agreed to by both parties, the issue to be resolved by this Court is whether or not petitioner is liable for deficiency assessment on Income Tax, Value-Added Tax, Expanded Withholding Tax, Improperly Accumulated Income Tax, and Compromise Penalty for the TY 2015 in the total amount of Sixty Nine Million Four Hundred Eighteen Thousand Seven Hundred Eighteen & 45/100 (₱69,418,718.45)

Arguments of the Parties

In its Memorandum, Petitioner raises the following arguments:[34]

1) Petitioner is not liable for deficiency Income Tax as the elements that impose income tax are not present in the case at bar;

2) The assessment on deficiency VAT has no basis in fact and law, and should be withdrawn and cancelled;

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27 *Id*, pp. 938-949.
28 *Id*, pp. 1096-1101.
29 *Id*, pp. 992-1000.
30 *Supra* at 26.
31 *Id*, pp. 1102.
32 *Id*, pp. 1111-1122.
33 *Supra* at 24.
34 *Supra* at 30.

3) Petitioner is not liable for deficiency Improperly Accumulated Earnings Tax as the assessment has not legal and factual basis; and

4) As petitioner is not liable for the deficiency taxes and Improperly Accumulated Earnings Tax assessed by respondent, petitioner is likewise not subject to the compromise penalty amounting to Forty Thousand Pesos (₱40,000.00), as well as any interest on the assessed deficiency taxes.

On the other hand, Respondent contends the following:[35]

1) The findings of respondent regarding the undeclared income of petitioner are based on fact and law;

2) Expenses were disallowed due to a finding that they were not withheld;

3) Salaries, Wages, and Benefits were found to be not subjected to withholding tax on compensation;

4) Sales revenues and receipts were found not subjected to VAT;

5) Petitioner is liable for deficiency expanded withholding tax in view of its failure to withhold or remit the corresponding withholding tax due on income payments previously disallowed as deduction from Gross Income; and

6) Tax assessments are presumed to be correct as there is a presumption of regularity in the performance of the revenue officer's investigation.

The Ruling of the Court

The Petition for Review must be granted. The assessment against the petitioner is void for being violative of petitioner's right to due process.

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[35] *Supra* at 18.

The Court in Division has jurisdiction over the instant Petition for Review.

Pursuant to *Section 3(a)(1) of the Revised Rules of the Court of Tax Appeals*,[36] the Court in Division holds the sole and exclusive authority to review, via appeal, any final decision rendered by the CIR. This jurisdiction encompasses all disputes regarding tax assessments, refund claims, and penalties, as well as any other matter that falls under the *National Internal Revenue Code of 1997, as amended* (*NIRC*) or other laws administered by the BIR, to wit:

> Sec. 3. *Cases within the jurisdiction of the Court in Divisions.* – The Court in Division shall exercise:
>
> (a) Exclusive original over or appellate jurisdiction to review by appeal the following:
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> (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;

In the instant case, Petitioner received the FLD/FAN dated January 7, 2019 for the 2015 taxable period. Petitioner then filed a protest within the prescribed 30-day period, or on January 23, 2019. A FDDA, dated March 17, 2021 was thereafter received by Petitioner.

As petitioner received the instant FDDA on March 17, 2021, it had 30 days, or until April 16, 2021 within which to file an appeal with this Court. However, pursuant to SC Administrative Circular No. 14-2021,[37] which ordered court operations to be temporarily suspended in view of NCR being placed under Enhanced Community Quarantine beginning March 29 to April 4, 2021, lawyers and litigants were allowed to file their pleadings and court submissions during the period of March 29 to March 31, 2021. Thus, on March 28, 2021, 11 days out of the 30-day period to file a Petition for Review had already lapsed, leaving only 19 days left for petitioner to file the same upon resumption of Courts.

Another Administrative Circular was then issued by the Supreme Court on April 10, 2021,[38] once again closing courts within NCR and other regions until April 18, 2021. During this period, the time for filing and service of pleadings and motions were suspended and were to resume after seven

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36 A.M. No. 05-11-07-CTA, November 22, 2005.

37 *SC Administrative Circular* No. 14-2021, *Extension of Filing Periods for Pleadings/Court Submissions for Courts in the National Capital Judicial Region and Nearby Provinces Placed Under Enhanced Community Quarantine From March 29 to April 4, 2021,* March 28, 2021.

38 *SC Administrative Circular* No. 21-2021, *Extension of Physical Closure of Courts,* April 10, 2021.

calendar days counted from the first day of physical reopening of the relevant court, leaving only 12 days for petitioner to file a petition for review with this Court upon the opening of filing.

On April 14, 2021, the Supreme Court then issued Administrative Circular No. 22-2021,[39] stating that in view of NCR, among other provinces, being under Modified Enhanced Community Quarantine until April 30, 2021, the physical closure of the courts in the affected areas shall likewise be extended until April 30, 2021.

Upon opening on May 1, 2021, SC Administrative Circular No. 29-2021 once again closed all affected courts from May 3 to 14, 2021.[40] On May 14, 2021, another Administrative Circular was again issued ordering a skeleton workforce for all affected courts beginning May 17, 2021.[41] At this point in time, petitioner still had 10 days within which to file a Petition for Review.

On May 24, 2021, Petitioner filed its Petition for Review. Hence, the Court in Division has jurisdiction over the instant case.

The Court of Tax Appeals may rule on issues not raised in the pleadings

In Philippine tax law, there exists a specific rule that allows the CTA to look beyond the "four corners" of the pleadings. While regular courts are generally limited to the issues the parties agree on, the CTA has a mandate of liberality to ensure that tax cases are decided on their actual merits.

The legal anchor for this rule is *Section 1, Rule 14 of the Revised Rules of the Court of Tax Appeals,*[42] which states:

> Section 1. *Rendition of judgment.* – The Court shall decide the cases brought before it in accordance with Section 15, paragraph (1), Article VIII of the 1987 Constitution. The conclusions of the Court shall be reached in consultation by the Members on the merits of each case before its assignment to a Member for the writing of the decision. The presiding justice or chairman of the Division, as the case may be, for its deliberation. If a majority of the justices of the Court *en banc* or in Division agree on the draft decision, the *ponente* shall finalize the decision for the signature of the concurring justices and its immediate promulgation. Any justice of the Court *en banc* or in Division may submit a separate written concurring or dissenting opinion within twenty days from the date of the voting on the

[39] *SC Administrative Circular* No. 22-2021, *Physical Closure of Courts in Enhanced Community Quarantine and Modified Enhanced Community Quarantine Areas,* April 14, 2021.

[40] *SC Administrative Circular* No. 29-2021, *Work Arrangement in Courts on 3 -14 May 2021,* April 30, 2021.

[41] *SC Administrative Circular* No. 33-2021, *Court Operations Starting 17 May 2021,* May 14, 2021.

[42] *Supra* at 34.

> case. The concurring and dissenting opinions, together with the majority opinion, shall be jointly promulgated and attached to the rollo.
>
> *In deciding the case, the Court may not limit itself to the issues stipulated by the parties but may also rule upon related issues necessary to achieve an orderly disposition of the case.*
> (Italics supplied.)

This is supported by the case of *Commissioner of Internal Revenue* v. *Lancaster Philippines, Inc.,*[43] where the Court explicitly ruled that the CTA is not bound by the specific issues raised by the parties. Particularly, the Court ruled that: "On whether the CTA can resolve an issue which was not raised by the parties, we rule in the affirmative."

In said case, the parties did not raise the issue of whether the Revenue Officers had the authority to conduct the audit. Upon a diligent review of the case, the same was noticed by the CTA and invalidated the assessment. On appeal, the Supreme Court affirmed the CTA decision, stating that the tax court can resolve related issues even if the same were not raised in the pleadings, provided that the same is necessary to achieve a just and orderly disposition of the case.

The more recent case of *Prime Steel Mill, Inc.* v. *Commissioner of Internal Revenue*[44] added conditions for using this power. Here, the Court ruled that the CTA can consider arguments raised for the first time on appeal, or not raised at all, if two conditions are met, which are:

1. The arguments are related to the principal issue being resolved; and

2. The resolution of the unraised issue is necessary to achieve an orderly disposition of the case.

In the case at bar, both conditions are met, as will be covered in the discussion below.

Petitioner's right to due process was violated due to infirmities in the assessments

First, after a careful study of the records on hand, it appears that the FAN dated January 7, 2019 did not contain a due date for the payment of the alleged deficiency taxes.

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43 G.R. No. 183408, July 12, 2017.
44 G.R. No. 249153, September 12, 2022.

The High Court has discussed in a number of cases the relevance of *Revenue Regulation (RR) No. 12-99*,[45] which prescribes the due process requirement in the issuance of assessments of national internal revenue taxes, the relevant portion of the provision is hereby quoted, to wit:

> Section 3. Due Process Requirement in the Issuance of a Deficiency Tax Assessment. —
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> 3.1 Mode of procedures in the issuance of a deficiency tax assessment:
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> . . .
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> 3.1.4 Formal Letter of Demand and Assessment Notice. — The formal letter of demand and assessment notice shall be issued by the Commissioner or his duly authorized representative. *The letter of demand calling for payment of the taxpayer's deficiency tax or taxes shall state the facts, the law, rules and regulations, or jurisprudence on which the assessment is based, otherwise, the formal letter of demand and assessment notice shall be void.* The same shall be sent to the taxpayer only by registered mail or by personal delivery. If sent by personal delivery, the taxpayer or his duly authorized representative shall acknowledge receipt thereof in the duplicate copy of the letter of demand, showing the following: (a) His name; (b) signature; (c) designation and authority to act for and in behalf of the taxpayer, if acknowledged received by a person other than the taxpayer himself; and (d) date of receipt thereof.
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> (Italics supplied.)

In addition thereto, the Court has previously ruled that an assessment is only valid if it contains, among others, a definite amount of tax liability and a specific date for payment. This was discussed in *Commissioner of Internal Revenue* v. *Fitness By Design, Inc.*,[46] as it states:

> The issuance of a valid formal assessment is a substantive prerequisite for collection of taxes. Neither the National Internal Revenue Code nor the revenue regulations provide for a "specific definition or form of an assessment." However, the National Internal Revenue Code defines its explicit functions and effects. *An assessment does not only include a computation of tax liabilities; it also includes a demand for payment within a period prescribed.* Its main purpose is to determine the amount that a taxpayer is liable to pay.
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> A pre-assessment notice "does not bear the gravity of a formal assessment notice." A pre-assessment notice merely gives a tip regarding the Bureau of Internal Revenue's findings against a taxpayer for an informal conference or a clarificatory meeting.

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[45] Implementing the Provisions of the National Internal Revenue Code of 1997 Governing the Rules on Assessment of National Internal Revenue Taxes, Civil Penalties and Interest and the Extra-Judicial Settlement of a Taxpayer's Criminal Violation of the Code Through Payment of a Suggested Compromise Penalty, September 6, 1999.

[46] G.R. No. 215957, November 9, 2016.

> *A final assessment is a notice "to the effect that the amount therein stated is due as tax and a demand for payment thereof." This demand for payment signals the time "when penalties and interests begin to accrue against the taxpayer and enabling the latter to determine his remedies. Thus, it must be "sent to and received by the taxpayer, and must demand payment of the taxes described therein within a specific period."*
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> The disputed Final Assessment Notice is not a valid assessment.
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> First, it lacks the definite amount of tax liability for which respondent is accountable. It does not purport to be a demand for payment of tax due, which a final assessment notice should supposedly be. An assessment, in the context of the National Internal Revenue Code, is a "written notice and demand made by the Bureau of Internal Revenue on the taxpayer for the settlement of a due tax liability that is there definitely set and fixed." Although the disputed notice provides for the computations of respondent's tax liability, the amount remains indefinite. It only provides that the tax due is still subject to modification, depending on the date of payment. Thus:
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> . . .
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> *Second, there are no due dates in the Final Assessment Notice. This negates petitioner's demand for payment.* Petitioner's contention that April 15, 2004 should be regarded as the actual due date cannot be accepted. (Italics supplied.)

Applying the foregoing, a FAN must not only contain a computation of tax liabilities, but also a demand for payment within a prescribed period. The absence of a due date in the FAN negates the existence of a valid demand, which is its very essence.

In the instant case, respondent issued five Formal Assessment Notices to petitioner – one each for deficiency Income Tax, Value-Added Tax, Expanded Withholding Tax, Improperly Accumulated Earnings Tax, and Compromise Penalty – none of which contained a specific due date for payment of petitioner, thereby failing to inform it of a period for payment.

Given the immediately preceding discussion, the instant FAN is void for failing to demand payment within a specific period.

Second, aside from the lack of a due date stated in the FAN, a thorough review of the records discloses that despite petitioner's reply to the PAN, both the PAN and the FLD showcase identical findings except for the amount of interest due thereon.

Section 228 of the NIRC outlines the due process requirements for tax assessments. Thus, under Section 228, the BIR is mandated to inform taxpayers in writing of the facts and laws supporting an assessment. Otherwise, the same shall be deemed void. The same provision gives credence to a taxpayer's right to respond to an assessment in order for their arguments to be heard by the CIR before reaching a final decision.

Section 228 of the NIRC therefore provides:

> Section. 228. Protesting of Assessment. – When the Commissioner or his duly authorized representative finds that proper taxes should be assessed, he shall first notify the taxpayer of his findings: Provided, however, That a pre-assessment notice shall not be required in the following cases:
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> (a) When the finding for any deficiency tax is the result of mathematical error in the computation of the tax as appearing on the face of the return; or
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> (b) When a discrepancy has been determined between the tax withheld and the amount actually remitted by the withholding agent; or
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> (c) When a taxpayer who opted to claim a refund or tax credit of excess creditable withholding tax for a taxable period was determined to have carried over and automatically applied the same amount claimed against the estimated tax liabilities for the taxable quarter or quarters of the succeeding taxable year; or
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> (d) When the excise tax due on excisable articles has not been paid; or
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> (e) When the article locally purchased or imported by an exempt person, such as, but not limited to, vehicles, capital equipment, machineries and spare parts, has been sold, traded or transferred to non-exempt persons.
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> The taxpayers shall be informed in writing of the law and the facts on which the assessment is made; otherwise, the assessment shall be void.
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> Within a period to be prescribed by implementing rules and regulations, the taxpayer shall be required to respond to said notice. If the taxpayer fails to respond, the Commissioner or his duly authorized representative shall issue an assessment based on his findings.
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> Such assessment may be protested administratively by filing a request for reconsideration or reinvestigation within thirty (30) days from receipt of the assessment in such form and manner as may be prescribed by implementing rules and regulations. Within sixty (60) days from filing of the protest, all relevant supporting documents shall have been submitted; otherwise, the assessment shall become final.
>
> If the protest is denied in whole or in part, or is not acted upon within one hundred eighty (180) days from submission of documents, the taxpayer adversely affected by the decision or inaction may appeal to the Court of Tax Appeals within thirty (30) days from receipt of the said decision, or from the lapse of one hundred eighty (180)-day period; otherwise, the decision shall become final, executory and demandable.

Previous rulings on administrative due process have been issued by the Supreme Court, such as the case of *Commissioner of Internal Revenue v. Avon Products Manufacturing, Inc.*[47] (*Avon*) citing *Ang Tibay v. The Court of Industrial Relations, Mendoza v. COMELEC,* and *Saunar v. Ermita*, which provides:

> To reiterate, due process is a malleable concept anchored on fairness and equity. The due process requirement before administrative bodies are not as strict compared to judicial tribunals in that it suffices that a party is given a reasonable opportunity to be heard.
>
> . . .
>
> A fair and reasonable opportunity to explain one's side" is one aspect of due process. Another aspect is the due consideration given by the decision-maker to the arguments and evidence submitted by the affected party.

In the case of *Avon*,[48] petitioner Avon received a PAN and filed a detailed reply. The BIR then issued a FLD/FAN that was a verbatim copy of the PAN, save for interest adjustments. Here, the Supreme Court ruled that the BIR is not only required to receive the taxpayer's reply, but also is legally mandated to act on such and explain why the arguments were rejected.

The CTA has been strict in applying the *Avon* ruling. In said case, the Court explained that the Commissioner is not allowed to simply ignore the taxpayer's explanations. To do so would reduce the PAN to a mere formality, which is a blatant disregard of the due process requirements under *Section 228 of the NIRC*.

In the instant case, respondent's patent disregard for the mandatory requirements of administrative due process vitiates the subject assessments. The verbatim identity between the PAN and the subsequent FLD/FAN proves a lack of genuine evaluation, thereby rendering said issuances void *ab initio* and without and force and effect.

ACCORDINGLY, premises considered, the instant Petition for Review dated May 24, 2021 is hereby **GRANTED.** The instant FLD/FAN dated January 7, 2019, and consequently, the FDDA are deemed **VOID** and without any force and effect.

Respondent is hereby **ENJOINED AND PROHIBITED** from collecting the amount sought by the void assessment.[49]

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[47] G.R. Nos. 201398-99, Oct. 3, 2018.

[48] *Id.*

[49] This Court has the authority to enjoin and prohibit respondent and the Bureau of Internal Revenue from collecting taxes when such collection would jeopardize the interests of a taxpayer or the government, *e.g.*, when the taxes sought are based on a void assessment made in violation of a taxpayer's rights. *See*

SO ORDERED.

MARIA ROWENA MODESTO-SAN PEDRO
Associate Justice

WE CONCUR:

MA. BELEN M. RINGPIS-LIBAN
Presiding Justice

ON OFFICIAL BUSINESS
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

Rule 10, Section 2 of the Revised Rules of the Court of Tax Appeals, as amended; see also Commissioner of Internal Revenue v. QL Developments, Inc., G.R. No. 258947, March 29, 2022.

SO ORDERED.

MARIA ROWENA MODESTO-SAN PEDRO
Associate Justice

WE CONCUR:

MA. BELEN M. RINGPIS-LIBAN
Presiding Justice

ON OFFICIAL BUSINESS
CORAZON G. FERRER-FLORES
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Presiding Justice

Rule 10, Section 2 of the Revised Rules of the Court of Tax Appeals, as amended; see also Commissioner of Internal Revenue v. QL Developments, Inc., G.R. No. 258947, March 29, 2022.