REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

EN BANC

COMMISSIONER OF INTERNAL REVENUE, *Petitioner,*	**CTA EB No. 2920** (CTA Case No. 10584)
	Present:
-versus-	**RINGPIS-LIBAN,** *PJ* **BACORRO-VILLENA, MODESTO-SAN PEDRO, REYES-FAJARDO, CUI-DAVID, FERRER-FLORES,** and, **ANGELES,** *JJ.*
CONCEPCION INDUSTRIES, INC., *Respondent.*	Promulgated: APR 23 2026 4:05 p.m.

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RESOLUTION

REYES-FAJARDO, *J*.:

On October 20, 2025, a Decision[1] was rendered, disposing CTA EB No. 2920 as follows:

> **WHEREFORE**, the Petition for Review dated June 5, 2024, filed by the Commissioner of Internal Revenue in CTA EB No. 2920 is **DENIED**, for lack of merit. The Resolutions dated January 10, 2024 and April 26, 2024, issued by the Court of Tax Appeals – Second Division in CTA Case No. 10584 are **AFFIRMED**.
>
> **SO ORDERED.**

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1 *Rollo,* pp. 89-98.

We sustained the Court of Tax Appeals (CTA) in Division's invalidation of the Bureau of Internal Revenue (BIR)'s deficiency internal revenue tax assessments covering Taxable Year (TY) 2014, issued against respondent, because the same emanated from an illicit examination conducted by petitioner's tax agents. Particularly, the Letter of Authority (LOA) authorized Group Supervisor Olivia F. Aviles (GS Aviles), and Revenue Officers Aurora Pelayo (RO Pelayo) and Felina Guimbao (RO Guimbao) to examine respondent's records for said year. Yet, Revenue Officers Olivia Sison (RO Sison), Josa Gomez (RO Gomez), and Neriza Manuel (RO Manuel) participated in the audit and examination of respondent for TY 2014, and recommended the findings of deficiency taxes *sans* an LOA in their names, from petitioner or its duly authorized representative.

On November 4, 2025, petitioner filed its Motion for Reconsideration [re: Decision dated 20 October 2025],[2] mainly insisting that the BIR's 2014 deficiency internal revenue tax assessments are binding upon respondent. Specifically, the foregoing assessments were a result of a valid and licit examination and audit performed by petitioner's tax agents.

On January 9, 2026, respondent filed its Comment/Opposition (To Petitioner's Motion for Reconsideration dated 4 November 2025),[3] riposting that the 2014 deficiency internal revenue tax assessments found by the BIR against it, are void for being a product of an improper audit and examination by petitioner's tax agents.

The Motion lacks merit.

Petitioner disclaims the participation of ROs Sison, Gomez, and Manuel in the conduct of audit and examination on respondent for TY 2014.[4] Yet, petitioner's admission unveils otherwise.

To be exact, petitioner admitted that the pertinent Letter of Authority (LOA) endowed Group Supervisor Olivia Aviles (GS Aviles), and Revenue Officers Aurora Pelayo (RO Pelayo) and Felina Guimbao (RO Guimbao) to examine respondent's books of account

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[2] *Id.*, unpaginated.
[3] *Id.*, unpaginated.
[4] Page 5, petitioner's Motion. *Id.*, unpaginated.

and other accounting records for Taxable Year (TY) 2014.[5] Petitioner's Amended Answer then invoked the testimony of Chief Revenue Officer Olivia F. Aviles (RO Aviles)[6] in support of its cause. RO Aviles said[7] that the following documents contain the respective recommendation of 2014 deficiency taxes against respondent, *viz.*:

Document	Recommendation	Signatories
Memorandum dated September 11, 2017[8]	Issuance of Preliminary Assessment Notice	GS Aviles, RO Pelayo, RO Guimbao, Olivia Sison (RO Sison), Josa Gomez (RO Gomez), and Neriza Manuel (RO Manuel)
Memorandum dated October 16, 2017[9]	Issuance of Formal Letter of Demand and Final Assessment Notice	GS Aviles, RO Pelayo, RO Guimbao, RO Sison, RO Gomez, and RO Manuel

Since ROs Sison, Gomez, and Manuel were *not* named in the LOA, it stains the BIR examination and audit, as well as the resulting internal revenue tax assessments for TY 2014 with invalidity. Being null, respondent bears no liability therefor.

ACCORDINGLY, petitioner's Motion for Reconsideration [re: Decision dated 20 October 2025] is **DENIED**, for lack of merit. The Decision dated October 20, 2025 in CTA EB No. 2920 is **AFFIRMED**.

SO ORDERED.

Marian Ivy F. Reyes-Fajardo
MARIAN IVY F. REYES-FAJARDO
Associate Justice

WE CONCUR:

MA. BELEN M. RINGPIS-LIBAN
Presiding Justice

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5 Par. 4 of Amended Petition for Review (Division Docket, p. 270), as admitted in Par. 2 of Amended Answer (Division Docket, p. 564).
6 Footnote 7, respondent [now petitioner]'s Amended Answer. Division Docket, p. 579.
7 Answer to Question Nos. 17-19, 26-28, and 40-41, Judicial Affidavit of RO Aviles.
8 BIR Records, pp. 197-202.
9 BIR Records, pp. 227-228.

JEAN MARIE A. BACORRO-VILLENA
Associate Justice

MARIA ROWENA MODESTO-SAN PEDRO
Associate Justice

LANEE S. CUI-DAVID
Associate Justice

CORAZON G. FERRER-FLORES
Associate Justice

With due respect, I reiterate my vote joining the previous DO of Justice Manahan
HENRY S. ANGELES
Associate Justice