REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

SPECIAL THIRD DIVISION

SN POWER INVEST NETHERLANDS, B.V., *Petitioner,*	**CTA Case Nos. 10710, 10878, & 11065**
	Members:
-versus-	**REYES-FAJARDO,** *Chairperson,* and **ANGELES,** *JJ.*
COMMISSIONER OF INTERNAL REVENUE, *Respondent.*	Promulgated: JUL 02 2026 4:08 p.m.

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RESOLUTION

REYES-FAJARDO, ***J.*:**

On February 26, 2026, a Decision[1] was rendered, the *fallo* of which reads:

> **WHEREFORE,** in light of the foregoing considerations, the consolidated Petitions for Review are **GRANTED.**
>
> Accordingly, respondent is ordered to refund to petitioner the amount of ₱531,850,000.00, representing erroneously collected FWTs on dividend income earned by petitioner on its investments in SNPPI.
>
> **SO ORDERED.**

In so ruling, the Court found that petitioner sufficiently established, through competent evidence, that it is a financial institution wholly owned and controlled by a foreign government, and that the dividend income it derived from its investment in SN Power Philippines, Inc. (SNPPI) falls within the tax exemption under

[1] Decision, Docket – Vol. VIII, pp. 4264 to 4283.

Section 32(B)(7)(a) of the National Internal Revenue Code (NIRC) of 1997, as amended. Accordingly, the final withholding taxes (FWTs) thereon, in the aggregate amount of ₱531,850,000.00, were erroneously collected and are refundable pursuant to Sections 204(C) and 229 of the NIRC of 1997, as amended.

Respondent moves for reconsideration, arguing that the Court erred in granting the refund. He maintains that petitioner's refund claim remains subject to administrative investigation; that petitioner allegedly failed to comply with the procedure under Revenue Memorandum Order (RMO) No. 14-2021[2] for availing of the preferential tax treaty rate under the Philippines-Netherlands Tax Treaty; and that claims for refund are construed strictly against the taxpayer and in favor of the government.[3]

Petitioner counters that respondent merely repleads arguments already considered by the Court. It stresses that the Decision was not anchored on petitioner's entitlement to treaty relief, but on the statutory exemption under Section 32(B)(7)(a)(ii) of the NIRC of 1997, as amended. Petitioner further argues that its administrative and judicial claims were timely filed within the two-year prescriptive period under Sections 204(C) and 229 of the NIRC of 1997, as amended, and that a prior confirmatory ruling or tax treaty relief application is not a condition *sine qua non* to the filing or grant of a judicial claim for refund.[4]

Respondent's *Motion for Reconsideration* is denied.

At the outset, motion for reconsideration must specifically identify the findings or conclusions allegedly unsupported by the evidence or contrary to law. It is not intended to relitigate issues already passed upon by the Court absent any substantial argument or cogent reason warranting the reversal or modification of the assailed ruling.[5]

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2 *Streamlining the Procedures and Documents for the Availment of Treaty Benefits*, Revenue Memorandum Order No. 014-21, March 31, 2021.

3 *Motion for Reconsideration*, Docket - Vol. VIII, pp. 4285 to 4294; Personally and electronically filed on March 26, 2026.

4 *Comment (Re: Motion for Reconsideration dated March 26,2026)*, Docket - Vol. VIII, pp. 4301 to 4316; Personally and electronically filed on April 24, 2026.

5 *Bayer Philippines, Inc. v. Commissioner of Internal Revenue*, CTA Case No. 11122, March 16, 2026; *Mendoza v. United Coconut Planters Bank*, G.R. No. 197434, October 14, 2015;

Respondent offers none.

First. Respondent's insistence that petitioner's claim remains subject to administrative investigation does not warrant reconsideration.

As discussed in the assailed Decision, petitioner's claims are governed by Sections 204(C)[6] and 229[7] of the NIRC of 1997, as amended. These provisions require that both the administrative and judicial claims for refund be filed within two (2) years from the date of payment of the tax sought to be refunded.

Here, petitioner filed its administrative and judicial claims within the applicable two-year periods, thus:

Government of the United States of America v. Purganan, G.R. No. 148571, September 24, 2002.

6 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.

7 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.

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.

CTA Case No.	Covered period	Date of remittance/ payment	Two (2) years from the date of payment	Filing of Administrative Claim	Filing of Judicial Claim
10710	TYs 2018 & 2019	Dec. 17, 2019[8]	Dec. 17, 2021	Dec. 3, 2021[9]	Dec. 17, 2021[10]
10878	2nd Quarter of TY 2020	June 8, 2020[11]	June 8, 2022	June 1, 2022[12]	June 8, 2022[13]
11065	4th Quarter of TY 2020	Jan. 8, 2021[14]	Jan. 8, 2023	Dec. 19, 2022[15]	Jan. 9, 2023[16]

In *Commissioner of Internal Revenue v. Estate of Mr. Charles Marvin Romig, represented by its Sole Heir Mrs. Maricel Narciso Romig,*[17] the Supreme Court clarified that the law merely requires: *first,* that the administrative claim precede the judicial claim; and *second,* that both claims be filed within the two (2)-year prescriptive period. The interval between the filing of the administrative and judicial claims is immaterial. Accordingly, respondent's claim of prematurity lacks basis.

Second. Respondent's reliance on RMO No. 14-2021 is misplaced.

Respondent anchors petitioner's alleged non-entitlement to refund on its supposed noncompliance with the procedures for availing of treaty relief under the Philippines-Netherlands Tax Treaty. The argument fails.

The refund granted in the assailed Decision was not based on petitioner's entitlement to the preferential 10% treaty rate. Rather, the Court found that the dividend income petitioner received from

8 Exhibits "P-5" and series and "P-8" and series, Docket (CTA Case No. 10710) - Vol. 7, pp. 3519 to 3533, 3559 to 3568 respectively.
9 Exhibits "P-10" and "P-10-a", BIR Green Folder (CTA Case No. 10710), pp. 450 to 463.
10 Docket (CTA Case No. 10710) - Vol. I, pp. 6 to 26.
11 Exhibits "P-5-4", "P-6-2", and "P-8-1", Docket (CTA Case No. 10710) - Vol. 7, pp. 3534 to 3537, 3550 to 3554 and 3569 to 3570, respectively.
12 Exhibits "P-10-1" and "P-10-1-a", BIR Brown Folder (CTA Case Nos. 10710 & 10878), pp. 841 to 852.
13 Docket (CTA Case No. 10878) - Vol. II, pp. 1139 to 1142.
14 Exhibits "P-5-5", and "P-8-2", Docket (CTA Case No. 10710) - Vol. 7, pp. 3538 to 3541 and 3571 to 3572, respectively.
15 Exhibits "P-10-2" and "P-10-2-a", BIR Brown Folder (CTA Case No. 10878), pp. 412 to 423.
16 Docket (CTA Case No. 11065) - Vol. 1, pp. 6 to 27; January 8, 2023 falls on a Sunday.
17 G.R. No. 262092, October 9, 2024.

SNPPI is exempt from income tax under Section 32(B)(7)(a)(ii) of the NIRC of 1997, as amended.

In particular, the Court found that: *first*, the dividends received by petitioner from SNPPI constitute income derived from investments in the Philippines; and *second*, petitioner is a financial institution owned and controlled by a foreign government. Respondent does not meaningfully refute these findings in the present *Motion*.

Instead, respondent shifts the focus to petitioner's alleged noncompliance with RMO No. 14-2021. However, RMO No. 14-2021 pertains to the availment or confirmation of tax treaty benefits. It cannot defeat a refund claim grounded on an express statutory exemption under the NIRC of 1997, as amended.

Third. While tax refunds are construed strictly against the taxpayer, this rule does not authorize the denial of a refund where the taxpayer has discharged the burden of proving entitlement thereto.[18]

Here, the Court found that petitioner established, through competent and sufficient evidence, that it received dividends from its investment in SNPPI; that FWTs in the aggregate amount of ₱531,850,000.00 were withheld and remitted thereon; and that petitioner is a financial institution owned and controlled by a foreign government. These findings remain undisturbed.

In fine, the Court finds no cogent reason to disturb its findings and conclusions in the assailed Decision.

WHEREFORE, premises considered, respondent's *Motion for Reconsideration* is **DENIED** for lack of merit. Accordingly, the Decision promulgated on February 26, 2026 is **SUSTAINED.**

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18 *AB Leasing and Finance Corporation v. Commissioner of Internal Revenue*, G.R. No. 138342, July 8, 2003; *BPI-Family Savings Bank, Inc. v. Court of Appeals*, G.R. No. 122480, April 12, 2000.

SO ORDERED.

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

I CONCUR:

HENRY S. ANGELES
Associate Justice