REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

FIRST DIVISION

MAXIMA MACHINERIES, INC.,
Petitioner,

-*versus*-

COMMISSIONER OF INTERNAL REVENUE,
Respondent.

CTA Case No. 9453

Members:

DEL ROSARIO, *P.J., Chairperson, and*
MANAHAN, *JJ.*

Promulgated:

JUN 30 2021 2:38 pm

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upon protest cases and approval of claims for refund or tax credit as provided by law and implementing regulations.[4]

Petitioner made an administrative claim on March 30, 2016, for the issuance of TCCs totaling ₱89,994,022.70, representing the excess input value-added taxes (VAT) which are allocable and directly attributable to its VAT zero-rated transactions, as declared in its Amended Quarterly VAT Return for the period January 1, 2014 to March 31, 2014, that is, for the 4th quarter of fiscal year (FY) ending March 31, 2014.[5]

On April 18, 2016, petitioner, through Ms. Marlene Manuel, received the *Letter of Authority* No. eLA201200042249 dated April 8, 2016, issued against petitioner by Mr. Nestor S. Valeroso, Assistant Commissioner – Large Taxpayers Service, Bureau of Internal Revenue (BIR), authorizing Revenue Officer Jan Andre Abellera, and Group Supervisor Gilquin Tolentino, to examine its books of accounts and other accounting records for VAT, for the period from January 1, 2014 to March 31, 2014, pursuant to the Mandatory Audit-Claim for VAT Refund.[6]

On July 28, 2016, the 120-day period counted from the filing of the application for the issuance of TCCs on March 30, 2016, had lapsed without petitioner receiving the Decision of respondent.[7]

The instant *Petition for Review* was filed on August 26, 2016.[8] The instant case was originally raffled to this Court's Third Division.

On November 2, 2016, respondent filed his *Answer (to the Petition for Review dated 26 August 2016)*,[9] interposing his special and affirmative defenses.

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[4] Par. A(2), *Joint Stipulation of Facts and Issues* (JSFI), Docket – Vol. 2, p. 977.
[5] Par. B(1), JSFI, Docket – Vol. 2, p. 978.
[6] Pars. A(3) and B(2), JSFI, Docket – Vol. 2, pp. 977 to 978.
[7] Par. B(3), JSFI, Docket – Vol. 2, p. 979.
[8] Docket – Vol. 1, pp. 10 to 49.
[9] Docket – Vol. 1, pp. 317 to 327; cf: *Motion for Extension of Time to File Answer*, Docket – Vol. 1, pp. 309 to 312; Resolution dated October 14, 2016, Docket – Vol. 1, p. 316.

On November 11, 2016, respondent submitted the *BIR Records* for the instant case.[10]

The Pre-Trial Conference was set and held on February 21, 2017.[11] *Respondent's Pre-Trial Brief* was filed on February 14, 2017;[12] while the *Pre-Trial Brief for the Petitioner* was submitted on February 16, 2017.[13]

On March 3, 2017, the parties submitted their *Joint Stipulation of Facts and Issues* (JSFI).[14] Subsequently, the Pre-Trial Order dated March 15, 2017 was issued by the Court,[15] recognizing the said JSFI and deeming the termination of the Pre-Trial Conference.

The trial of this case then proceeded.

During trial, petitioner presented its documentary and testimonial evidence. Petitioner offered the testimonies of the following individuals, namely: (1) Mr. Yusuke Yamada,[16] petitioner's Chief Financial Officer; (2) Ms. Jenelyn Palayon-Tagao,[17] petitioner's Chief for Government Compliance of the Finance Department; and (3) Ms. Alina Corillo-Sison,[18] the Court-commissioned Independent Certified Public Accountant (ICPA).[19]

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[10] Respondent's *Compliance,* Docket – Vol. 1, pp. 331 to 334.
[11] *Notice of Pre-Trial Conference* dated November 3, 2016, Docket – Vol. 1, pp. 329 to 330; Minutes of the hearing held on, and Order dated, February 21, 2017, Docket – Vol. 2, pp. 973, and 975 to 976, respectively.
[12] Docket – Vol. 1, pp. 338 to 341.
[13] Docket – Vol. 1, pp. 344 to 362.
[14] Docket – Vol. 2, pp. 977 to 992.
[15] Docket – Vol. 2, pp. 1002 to 1010.
[16] Exhibit "P-43", Docket – Vol. 1, pp. 368 to 386; Minutes of the hearing held on, and Order dated, May 16, 2017, Docket – Vol. 2, pp. 1034, and 1036 to 1037, respectively.
[17] Exhibit "P-44", Docket – Vol. 2, pp. 644 to 653; Minutes of the hearing held on, and Order dated, June 20, 2017, Docket – Vol. 2, pp. 1067 to 1068.
[18] Exhibit "P-47", Docket – Vol. 2, pp. 1105 to 1139; Minutes of the hearing held on, and Order dated, March 5, 2018, Docket – Vol. 3, pp. 1173 to 1174.
[19] *Oath of Commission* dated May 16, 2017, Docket – Vol. 2, p. 1035; Minutes of the hearing held on, and Order dated, May 16, 2017, Docket – Vol. 2, pp. 1034, and 1036 to 1037, respectively.

On July 17, 2017, the Court received the *Report* of the ICPA.[20]

Petitioner filed its *Formal Offer of Evidence* on March 19, 2018.[21] Respondent submitted his *Comment [Re: Petitioner's Formal Offer of Evidence dated 15 March 2018]* on March 26, 2018.[22]

In the Resolution dated May 18, 2018,[23] the Court admitted petitioner's Exhibits, *except* for various exhibits for not being found in the records of the case or for failure to pre-mark (*i.e.*, the exhibit number markings on the scanned copies were incomplete).

Consequently, petitioner filed its *Motion for Reconsideration to the Resolution dated May 18, 2018* on June 8, 2018.[24] Respondent failed to file his comment on petitioner's motion.[25]

At the hearing held on August 14, 2018, counsel for respondent manifested that there is no report of investigation from the BIR. Thus, as prayed for, the parties were granted thirty (30) days from receipt of the resolution of petitioner's *Motion for Reconsideration to the Resolution dated May 18, 2018*, within which to submit their respective memoranda.[26]

Pursuant to the Court's Order dated September 25, 2018,[27] the instant case was transferred to this Court's First Division.

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[20] Exhibit "P-46", Docket – Vol. 2, pp. 1072 to 1096; cf: ICPA's Transmittal Letter dated October 9, 2017, Docket – 2, p. 1099.
[21] Docket – Vol. 3, pp. 1175 to 1203.
[22] Docket – Vol. 3, pp. 1671 to 1673.
[23] Docket – Vol. 3, pp. 1677 to 1681.
[24] Docket – Vol. 4, pp. 1686 to 1700.
[25] Records Verification Report dated August 8, 2018 issued by the Judicial Records Division of this Court, Docket – Vol. 4, p. 1704.
[26] Minutes of the hearing held on, and Order dated, August 14, 2018, Docket – Vol. 4, pp. 1705 to 1706.
[27] Docket – Vol. 4, p. 1707.

In the Resolution dated November 23, 2018,[28] the Court partially granted the *Motion for Reconsideration to the Resolution dated May 18, 2018* of petitioner, and admitted some of the exhibits under motion for reconsideration; but still denied Exhibits "P-45-L-2038" to "P-45-L-2410", "P-45-M-38" to "P-45-M-72", "P-45-S-64", "P-45-AI-1", and "P-45-AJ-2", for not being found in the record.

On January 15, 2019, petitioner filed a *Motion to Admit Supplemental Formal Offer of Evidence.*[29] Respondent's *Memorandum* was filed on even date,[30] while the *Memorandum for the Petitioner* was submitted on February 4, 2019.[31]

On February 27, 2019, respondent filed his *Comment (Re: Petitioner's Supplemental Formal Offer of Evidence).*[32]

In the Resolution dated April 4, 2019,[33] the Court admitted petitioner's Exhibits "P-45-AQ-377", "P-45-BA-7" to "P-45-BA-51", "P-45-BC-4" to"P-45-BC-18", "P-45-BD-130" to "P-45-BD-261", "P-45-BF-19" to "P-45-BF-32, "P-45-BG-19" to "P-45-BG-337", "P-45-BH-19" to "P-45-BH-290", "P-45-BI-19" to "P-45-BI-28", "P-45-BJ-19" to "P-45-BJ-44", "P-45-BK-19" to "P-45-BK-53", "P-45-BL-19" to "P-45-BL-68", "P-45-BM-19" to "P-BM-310", "P-45-BN-19" to "P-45-BN-92, and "P-45-BO-19" to "P-45-BO-224". In the same Resolution, the Court deemed the instant case submitted for decision.

Thereafter, on April 8, 2019, petitioner filed a *Motion to Allow the Continuance of the ICPA Audit and to Schedule the Presentation of the ICPA and Yusuke Yamada,*[34] praying that the Court allow the ICPA to continue her verification of the documents pertaining to the prior period excess input tax carry-over, and to schedule the presentation of Ms. Sison, who

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[28] Docket – Vol. 4, pp. 1710 to 1715.
[29] Docket – Vol. 4, pp. 1740 to 1742, and 1735 to 1738.
[30] Docket – Vol. 4, pp. 1724 to 1733; cf: *Motion for Extension of Time to File Memorandum,* Docket – Vol. 4, pp. 1716 to 1718; Resolution dated January 18, 2019, Vol. 4, p. 1745.
[31] Docket – Vol. 4, pp. 1748 to 1799; cf: *Motion for Extension of Time to File Memorandum,* Docket – Vol. 4, pp. 1720 to 1722; Resolution dated January 18, 2019, Vol. 4, p. 1745.
[32] Docket – Vol. 4, pp. 1801 to 1802.
[33] Docket – Vol. 4, pp. 1807 to 1808.
[34] Docket – Vol. 4, pp. 1809 to 1811.

will testify on the results of continuance of her audit, and of Mr. Yamada, who will testify on the results of the BIR assessments relative to the examination by the BIR of the prior period excess input VAT carry-over.

In the Resolution dated July 18, 2019,[35] the Court granted petitioner's *Motion to Allow the Continuance of the ICPA Audit and to Schedule the Presentation of the ICPA and Yusuke Yamada*; directed the ICPA to submit her supplemental ICPA report within fifteen (15) days from notice; and set the case for hearing on September 3, 2019 for the presentation of petitioner's recalled witnesses, Ms. Sison and Mr. Yamada. Correspondingly, the Resolution dated April 4, 2019, insofar as it submitted the case for decision, was recalled and set aside.

During the hearing on September 3, 2019, petitioner presented its witness, Mr. Yamada,[36] but there was no appearance on the part of respondent. Considering that counsel for respondent was duly notified of the hearing and the same has been indicated in this Court's Resolutions dated July 18, 2019 and August 22, 2019, the Court granted the prayer of petitioner's counsel that respondent's right to cross-examine be deemed waived. [37]

Meanwhile, the ICPA failed to submit the supplemental ICPA report.[38] Subsequently, on November 11, 2019, petitioner filed a *Manifestation*,[39] stating that it will no longer recall the ICPA as witness on November 12, 2019, considering that she was not able to complete the audit and verification of the prior period excess credits because some of petitioner's documents can no longer be located or retrieved, notwithstanding the additional period provided by this Court.

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[35] Docket – Vol. 4, pp. 1892 to 1896.
[36] Exhibit "P-57", Docket – Vol. 4, pp. 1910 to 1918.
[37] Minutes of the hearing held on, and Order dated, September 3, 2019, Docket – Vol. 4, pp. 1970 to 1974.
[38] Records Verification dated October 23, 2019 issued by the Judicial Records Division of this Court, Docket – Vol. 4, p. 1998.
[39] Docket – Vol. 4, pp. 1999 to 2000.

In the Order dated November 12, 2019,[40] the Court took note of petitioner's *Manifestation.*

On November 19, 2019, petitioner filed its *Second Supplemental Formal Offer of Evidence.*[41] Respondent failed to file his comment on petitioner's *Second Supplemental Formal Offer of Evidence.*[42]

In the Resolution dated May 27, 2020,[43] the Court admitted petitioner's Exhibits, and gave the parties a period of thirty (30) days within which to file their respective supplemental memoranda.

Respondent's *Manifestation* that he is adopting the arguments he raised in his *Memorandum*, was posted on July 8, 2020;[44] while the *Supplemental Memorandum for the Petitioner* was submitted on July 20, 2020.[45]

On August 26, 2020, the instant case was submitted for decision.[46]

ISSUE

As stipulated by the parties, the issue to be resolved by the Court is as follows:

> WHETHER OR NOT THE PETITIONER IS ENTITLED TO THE ISSUANCE OF TAX CREDIT CERTIFICATES FOR THE EXCESS UNUTILIZED INPUT VALUE ADDED TAX (VAT) WHICH ARE ALLOCABLE AND DIRECTLY ATTRIBUTABLE TO ITS VAT ZERO[-]RATED SALES FOR THE PERIOD

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[40] Order dated November 12, 2019, Docket – Vol. 4, pp. 2003 to 2004.
[41] Docket – Vol. 4, pp. 2009 to 2012.
[42] Records Verification dated December 19, 2019 issued by the Judicial Records Division of this Court, Docket – Vol. 4, p. 2061.
[43] Docket – Vol. 4, pp. 2066 to 2067.
[44] Docket – Vol. 4, pp. 2068 to 2069.
[45] Docket – Vol. 4, pp. 2072 to 2084.
[46] Resolution dated August 26, 2020, Docket – Vol. 4, p. 2087.

FROM JANUARY 1, 2014 TO MARCH 31, 2014 AMOUNTING TO ₱89,994,022.70.[47]

Petitioner's arguments:

Petitioner argues that it is a VAT-registered taxpayer whose sales are entitled to VAT zero-rating; that the input taxes being claimed are due or paid; that petitioner had unutilized and unapplied input tax credits for the period January 1, 2014 to March 31, 2014 or the 4th quarter of FY 2014, which are allocable and directly attributable to its VAT zero-rated sales amounting to ₱89,994,022.70; that petitioner timely filed its administrative claim for the issuance of tax credit within the two-year prescriptive period; that it seasonably filed the *Petition for Review* to this Court against the "deemed denial decision" due to inaction of respondent after the lapse of the mandatory 120-day period under Section 112(C) of the Tax Code; and that it has sufficiently shown, through the presentation of its Quarterly VAT return for the 4th quarter of FY 2014, its input tax carried over from the period amounting to ₱369,111,554.05 and the deferred tax on capital goods in excess of ₱1 million from previous quarters amounting to ₱2,731,710.09.

Respondent's counter-arguments:

Respondent contends that in an action for refund, the burden of proof is on the taxpayer to establish its right to refund, and failure to sustain the burden is fatal to the claim for refund/credit; that petitioner must show that it has complied with the provisions of Section 112 of the National Internal Revenue Code (NIRC) of 1997, as amended, on the prescriptive period for claiming tax refund/credit; that petitioner must prove that it has submitted complete documents to substantiate its administrative claim for refund, otherwise, the administrative body will have sufficient reason to deny the claim; and that claims for refund are construed strictly against the claimant for the same partake the nature of tax exemption and as such, they are looked upon with disfavor.

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[47] Par. C, JSFI, Docket – Vol. 2, p. 979.

RULING OF THE COURT

The instant *Petition for Review* lacks merit.

Requisites for the grant of the refund or issuance of a tax credit certificate under the law.

Section 112 (A) and (C) of the NIRC of 1997, as amended by Republic Act (RA) No. 9337,[48] provides as follows:

> SEC. 112. *Refunds or Tax Credits of Input Tax.* —
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> (A) *Zero-rated or Effectively Zero-rated Sales.* — Any VAT-registered person, whose sales are zero-rated or effectively zero-rated may, within two (2) years after the close of the taxable quarter when the sales were made, apply for the issuance of a tax credit certificate or refund of creditable input tax due or paid attributable to such sales, except transitional input tax, to the extent that such input tax has not been applied against output tax: *Provided, however,* That in the case of zero-rated sales under Section 106(A)(2)(a)(1), (2) and (b) and Section 108(B)(1) and (2), the acceptable foreign currency exchange proceeds thereof had been duly accounted for in accordance with the rules and regulations of the Bangko Sentral ng Pilipinas (BSP): *Provided, further,* That where the taxpayer is engaged in zero-rated or effectively zero-rated sale and also in taxable or exempt sale of goods or properties or services, and the amount of creditable input tax due or paid cannot be directly and entirely attributed to any one of the transactions, it shall be allocated proportionately on the basis of the volume of sales: *Provided, finally,* That for a person making sales that are zero-rated under Section 108(B)(6), the input taxes shall be allocated ratably between his zero-rated and non-zero-rated sales.
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> xxx xxx xxx
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> (C) *Period within which Refund or Tax Credit of Input Taxes shall be Made.* — In proper cases, the Commissioner

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[48] AN ACT AMENDING SECTIONS 27, 28, 34, 106, 107, 108, 109, 110, 111, 112, 113, 114, 116, 117, 119, 121, 148, 151, 236, 237 AND 288 OF THE NATIONAL INTERNAL REVENUE CODE OF 1997, AS AMENDED, AND FOR OTHER PURPOSES.

> shall grant a refund or issue the tax credit certificate for creditable input taxes within one hundred twenty (120) days from the date of submission of complete documents in support of the application filed in accordance with Subsection (A) hereof.
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> In case of full or partial denial of the claim for tax refund or tax credit, or the failure on the part of the Commissioner to act on the application within the period prescribed above, the taxpayer affected may, within thirty (30) days from the receipt of the decision denying the claim or after the expiration of the one hundred twenty-day period, appeal the decision or the unacted claim with the Court of Tax Appeals.

Pursuant to the foregoing provisions, jurisprudence has laid down requisites which must be complied with by the taxpayer-applicant to successfully obtain a credit/refund of input VAT. Said requisites are classified into categories, to wit:

Timeliness of the filing of the administrative and judicial claims:

1. the claim is filed with the BIR within two (2) years after the close of the taxable quarter when the sales were made;[49]

2. in case of full or partial denial of the refund claim, or the failure on the part of the Commissioner to act on the said claim within a period of 120 days from the date of submission of complete documents in support of the application, the judicial claim must be filed with this Court, within 30 days from receipt of the decision or after the expiration of the said 120-day period;[50]

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[49] *Intel Technology Philippines, Inc. vs. Commissioner of Internal Revenue*, G.R. No. 166732, April 27, 2007; *San Roque Power Corporation vs. Commissioner of Internal Revenue*, G.R. No. 180345, November 25, 2009; and *AT&T Communications Services Philippines, Inc. vs. Commissioner of Internal Revenue*, G.R. No. 182364, August 3, 2010.

[50] *Steag State Power, Inc. (Formerly State Power Development Corporation) vs. Commissioner of Internal Revenue*, G.R. No. 205282, January 14, 2019; *Rohm Apollo Semiconductor Philippines vs. Commissioner of Internal Revenue*, G.R. No. 168950, January 14, 2015.

Taxpayer's registration with the BIR:

3. the taxpayer is a VAT-registered person;[51]

Taxpayer's output VAT:

4. the taxpayer is engaged in zero-rated or effectively zero-rated sales;[52]

5. for zero-rated sales under Sections 106(A)(2)(a)(1), (2) and (b); and 108(B)(1) and (2), the acceptable foreign currency exchange proceeds have been duly accounted for in accordance with *Bangko Sentral ng Pilipinas* (BSP) rules and regulations;[53]

Taxpayer's input VAT being refunded:

6. the input taxes are not transitional input taxes;[54]

7. the input taxes are due or paid;[55]

8. the input taxes claimed are attributable to zero-rated or effectively zero-rated sales. However, where there are both zero-rated or effectively zero-rated sales and taxable or exempt sales, and the input taxes cannot be directly and entirely attributable to any of these sales, the input taxes shall be proportionately allocated on the basis of sales volume;[56]

9. the input taxes have not been applied against output taxes during and in the succeeding quarters.[57]

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[51] *Intel Technology Philippines, Inc. vs. Commissioner of Internal Revenue,* supra; *San Roque Power Corporation vs. Commissioner of Internal Revenue,* supra; and *AT&T Communications Services Philippines, Inc.,* supra.
[52] *Id.*
[53] *Id.*
[54] *Id.*
[55] *Id.*
[56] *Intel Technology Philippines, Inc. vs. Commissioner of Internal Revenue,* supra; and *San Roque Power Corporation vs. Commissioner of Internal Revenue,* supra.
[57] *Intel Technology Philippines, Inc. vs. Commissioner of Internal Revenue,* supra; *San Roque Power Corporation vs. Commissioner of Internal Revenue,* supra; and *AT&T Communications Services Philippines, Inc.,* supra.

Relative thereto, it must be emphasized that in cases filed before this Court, which are litigated *de novo*, party-litigants must prove every minute aspect of their case.[58] Thus, it behooves petitioner to show compliance with each of the foregoing requisites.

Petitioner timely filed its administrative and judicial claims.

The *first requisite* pertains to the filing of the refund for tax credit or refund of input VAT before the BIR, within two (2) years from the close of the quarter when the sales were made.

The instant claim covers the period from January 1, 2014 to March 31, 2014 or the 4th quarter of petitioner's FY ending March 31, 2014 (FY 2014). Counting two (2) years from the close of the said quarter, petitioner had until March 31, 2016, within which to file its administrative claim. Considering that petitioner's administrative claim covering the subject quarter was filed with the BIR on March 30, 2016,[59] the same was timely made within the 2-year prescriptive period.

The *second requisite* is to the effect that the judicial claim must have been filed within thirty (30) days from the receipt of respondent's decision or after the expiration of the 120-day period under Section 112(C) of the NIRC of 1997, as amended.

On July 28, 2016, the 120-day period counted from the filing of the application for the issuance of TCC on March 30, 2016 had lapsed without petitioner receiving the Decision of

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[58] *Edison (Bataan) Cogeneration Corporation vs. Commissioner of Internal Revenue, et al.*, G.R. Nos. 201665 and 201668, August 30, 2017; *Commissioner of Internal Revenue vs. Philippine National Bank*, G.R. No. 180290, September 29, 2014; *Commissioner of Internal Revenue vs. United Salvage and Towage (Phils.), Inc.*, G.R. No. 197515, July 2, 2014; *Dizon vs. Court of Tax Appeals, et al.*, G.R. No. 140944, April 30, 2008; *Atlas Consolidated Mining and Development Corporation vs. Commissioner of Internal Revenue*, G.R. No. 145526, March 16, 2007; and *Commissioner of Internal Revenue vs. Manila Mining Corporation*, G.R. No. 153204, August 31, 2005.

[59] Par. B(1), JSFI, Docket – Vol. 2, p. 978; Exhibits "P-24" and "P-25, Docket – Vol. 3, pp. 1410 to 1435.

respondent.[60] Such being the case, petitioner had 30 days from July 28, 2016 or until August 29, 2016,[61] within which to file its judicial claim. Thus, petitioner seasonably filed the instant *Petition for Review* on August 26, 2016.[62]

Correspondingly, petitioner complied with the said *first* and *second requisites*.

Petitioner's registration with the BIR.

As for its compliance with the *third requisite,* petitioner has fulfilled the same by presenting its BIR Certificate of Registration No. OCN8RC0000019980, with TIN 006-618-023-000, indicating that it is liable to VAT, among other taxes.[63]

Petitioner had zero-rated or effectively zero-rated sales during the 4th quarter of FY 2014.

The *fourth* and *fifth requisites* respectively require that the taxpayer is engaged in zero-rated or effectively zero-rated sales, and that for zero-rated sales under Sections 106(A)(2)(a)(1), (2) and (b), and 108(B)(1) and (2) of the NIRC of 1997, as amended, the acceptable foreign currency exchange proceeds must have been duly accounted for in accordance with the BSP rules and regulations.

In its Amended 4th Quarterly VAT Return for FY 2014 or for the period from January to March 2014,[64] petitioner reported total sales in the amount of ₱2,348,474,841.52, which include zero-rated sales in the amount of ₱952,009,079.19, as shown below:

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[60] Par. B(1), JSFI, Docket – Vol. 2, p. 979.
[61] August 27, 2016 falls on a Saturday.
[62] Docket – Vol. 1, pp. 10 to 46.
[63] Exhibit "P-3", Docket – Vol. 3, p. 1220.
[64] Exhibit "P-21", Docket – Vol. 3, pp. 1255 to 1256.

Particulars	**Amount**	
VATable Sales/Receipts	₱	1,387,310,556.79
Sale to Government		9,155,205.54
Zero-Rated Sales/Receipts		952,009,079.19
Total Sales/Receipts	**₱**	**2,348,474,841.52**

In support of its zero-rated sales of ₱952,009,079.19, petitioner presented its Schedule of Zero-Rated Sales[65] and various sales invoices, Official Receipts (ORs) and other related documents,[66] which were all scrutinized by the Court-commissioned ICPA, Ms. Alina C. Sison.

Based on her *Report*,[67] the said ICPA stated that petitioner's zero-rated sales arose from the following:

1. Petitioner sold goods and rendered services to entities registered with the Philippine Economic Zone Authority (PEZA), Subic Bay Metropolitan Authority (SBMA), Clark Development Authority (CDA), Cagayan Economic Zone Authority (CEZA), Clark Development Corporation (CDC) and Board of Investments (BOI).

2. Petitioner sold goods to entities which are not among the registered corporations in the Philippines, and the sales were paid for in acceptable foreign currency and accounted for in accordance with the rules and regulations of the BSP as supported by invoices and inward remittances from banks.

For an orderly disposition of the instant case, this Court shall first determine whether the said second source of petitioner's zero-rated sales qualify as such.

Sale of services to entities which are not among the registered corporations in the Philippines and were paid for in

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[65] Exhibit "P-45-J-2".

[66] Exhibits "P-45-N-1" to "P-45-N-39", "P-45-O-1" to "P-45-O-57", "P-45-P-1" to "P-45-P-516", "P-45-Q-1" to "P-45-Q-44", "P-45-BQ-1" to "P-45-BQ-8", "P-45-R-1" to "P-45-R-22", "P-45-S-1" to "P-45-S-84", and "P-45-T-1" to "P-45-T-8".

[67] Exhibit "P-46", Docket – Vol. 2, pp. 1072 to 1096, at p. 1080.

accordance with the rules and regulations of the BSP.

As for the alleged sales to entities not registered in the Philippines, the related schedules and exhibits[68] submitted by the ICPA show that the same are actually sales of services (and not goods) to Marubeni Corporation.

Pertinent to the VAT zero-rating of such sales to Marubeni Corporation, Section 108(B)(2) of the NIRC of 1997, as amended by RA No. 9337, provides:

> SEC. 108. *Value-added Tax on Sale of Services and Use or Lease of Properties.* –
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> xxx xxx xxx
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> (B) *Transactions Subject to Zero Percent (0%) Rate.* – The following services performed in the Philippines by VAT-registered persons shall be subject to zero percent (0%) rate:
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> xxx xxx xxx
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> (2) Services other than those mentioned in the preceding paragraph rendered to a person engaged in business conducted outside the Philippines or to a non-resident person not engaged in business who is outside the Philippines when the services are performed, the consideration for which is paid for in acceptable foreign currency and accounted for in accordance with the rules and regulations of the Bangko Sentral ng Pilipinas (BSP);

Based on the foregoing provision, certain essential elements must be present for a sale or supply of services to be subject to the VAT rate of zero percent (0%) under Section 108(B)(2) of the NIRC of 1997, as amended, to wit:

1) The recipient of the services is a foreign corporation, and the said corporation is doing business *outside* the Philippines; or is a non-resident person not engaged in business who

[68] Exhibits "P-45-O", "P-45-O-48" and "P-45-O-49".

is *outside* the Philippines when the services were performed;[69]

2) The services fall under any of the categories under Section 108(B)(2),[70] or simply, the services rendered should be other than "*processing, manufacturing or repacking goods*";[71]
3) The services must be performed in the Philippines[72] by a VAT-registered person; and
4) The payment for such services should be in acceptable foreign currency accounted for in accordance with the BSP rules.[73]

Petitioner, however, has not established the foregoing essential elements.

Relative to the *first* essential element, it has long been settled that to be considered as a non-resident foreign corporation doing business outside the Philippines, each entity must be supported, at the very least, by **both** SEC Certificate of Non-Registration of Corporation/Partnership **and** proof of incorporation/registration in a foreign country (*e.g.*, Articles/Certificate of Incorporation/Registration and/or Tax Residence Certificate), and that there is no other indication which would disqualify said entity in being classified as a non-resident foreign corporation.

While petitioner presented proof of incorporation of Marubeni Corporation,[74] it failed to present the SEC Certificate

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[69] *Sitel Philippines Corporation (Formerly Clientlogic Phils., Inc.) vs. Commissioner of Internal Revenue*, G.R. No. 201326, February 8, 2017; *Commissioner of Internal Revenue vs. Burmeister and Wain Scandinavian Contractor Mindanao, Inc.*, G.R. No. 153205, January 22, 2007; *Accenture, Inc. vs. Commissioner of Internal Revenue*, G.R. No. 190102, July 11, 2012.

[70] *Commissioner of Internal Revenue vs. American Express International, Inc. (Philippine Branch), supra.*

[71] *Commissioner of Internal Revenue vs. Burmeister and Wain Scandinavian Contractor Mindanao, Inc., supra.*

[72] *Commissioner of Internal Revenue vs. Burmeister and Wain Scandinavian Contractor Mindanao, Inc., supra; Commissioner of Internal Revenue vs. American Express International, Inc. (Philippine Branch), supra.*

[73] *Commissioner of Internal Revenue vs. Burmeister and Wain Scandinavian Contractor Mindanao, Inc., supra; Commissioner of Internal Revenue vs. American Express International, Inc. (Philippine Branch)*, G.R. No. 152609, June 29, 2005.

[74] Exhibit "P-16", Docket – Vol. 3. pp. 1235 to 1250.

of Non-Registration of Corporation/Partnership issued in favor of the latter. Thus, it cannot be said that petitioner fulfilled the *first* essential element.

With respect to the *second* essential element, petitioner likewise failed to present competent evidence to establish that the services it rendered to Marubeni Corporation are other than "*processing, manufacturing or repacking goods.*" Thus, petitioner failed to comply with the *second* essential element.

Petitioner further failed to comply with the *third* essential element as it was not able to establish that the services it provided to Marubeni Corporation were performed in the Philippines.

As regards the *fourth* essential element, petitioner also failed to present any certification (or proof) of inward remittances attesting to the fact of payment "*in acceptable foreign currency and accounted for in accordance with the rules and regulations of the BSP*".[75] Thus, petitioner's non-presentation of the same constitutes failure to comply with the above-stated *fourth* essential element.

Hence, petitioner's alleged export sales of services to Marubeni Corporation failed to qualify for zero percent (0%) VAT under Section 108(B)(2) of the NIRC of 1997, as amended, in the total amount of ₱2,496,680.49, computed as follows:

Exhibit No.	Name of Customer/Buyer	Amount
"P-45-O-48"	Marubeni Corporation	₱ 2,010,621.25
"P-45-O-49"	Marubeni Corporation	486,059.24
	Total	***₱ 2,496,680.49***

Sales to entities registered with PEZA, SBMA, CDC, and BOI.

Petitioner maintains that its sales of goods and services to entities registered with PEZA, SBMA, CDA, CEZA, CDC, and BOI during the period from January 1, 2014 to March 31,

[75] Refer to *Intel Technology Philippines, Inc. vs. Commissioner of Internal Revenue*, G.R. No. 166732, April 27, 2007.

the 4th quarter of FY 2014 are subject to zero percent (0%) VAT, pursuant to Sections 106(A)(2)(a)(3), (5) and (c) and 108(B)(3) of the NIRC of 1997, as amended.

The pertinent provisions of Sections 106(A)(2)(a)(3),(5) and (c) and 108(B)(3) of the NIRC of 1997, as amended by RA No. 9337, state:

> SEC. 106. *Value-Added Tax on Sale of Goods or Properties.* –
>
> (A) *Rate and Base of Tax.* – xxx
>
> xxx xxx xxx
>
> (2) The following sales by VAT-registered persons shall be subject to zero percent (0%) rate:
>
> (a) *Export Sales.* –The term **'export sales'** means:
>
> xxx xxx xxx
>
> (3) Sale of raw materials or packaging materials to export-oriented enterprise whose export sales exceed seventy percent (70%) of total annual production;
>
> xxx xxx xxx
>
> (5) Those considered export sales under Executive Order No. 226, otherwise known as the Omnibus Investment Code of 1987, and other special laws; and
>
> xxx xxx xxx
>
> (c) Sales to persons or entities whose exemption under special laws or international agreements to which the Philippines is a signatory effectively subjects such sales to zero rate.
>
> SEC. 108. *Value-added Tax on Sale of Services and Use or Lease of Properties.* –
>
> xxx xxx xxx
>
> (B) *Transactions Subject to Zero Percent (0%) Rate.* – The following services performed in the Philippines by VAT-registered persons shall be subject to zero percent (0%) rate:
>
> xxx xxx xxx

(3) Services rendered to persons or entities whose exception under special laws or international agreements to which the Philippines is a signatory effectively subjects the supply of such services to zero percent (0%) rate;

Relative thereto, Sections 4.106-5 and 4.108.5 of Revenue Regulations No. (RR) 16-2005[76], as amended by RR No. 4-2007,[77] which implement the foregoing provisions, state:

SEC. 4.106-5. *Zero-Rated Sales of Goods or Properties.* – xxx

The following sales by VAT-registered persons shall be subject to zero percent (0%) rate:

(a) Export sales. – *'Export Sales'* shall mean:

xxx xxx xxx

(3) The sale of raw materials or packaging materials to export-oriented enterprise whose export sales exceed seventy percent (70%) of total annual production;

xxx xxx xxx

(5) Transactions considered export sales under Executive Order No. 226, otherwise known as the Omnibus Investments Code of 1987, and other special laws.

'Considered export sales under Executive Order No. 226' shall mean the Philippine port F.O.B. value determined from invoices, bills of lading, inward letters of credit, landing certificates, and other commercial documents, of export products exported directly by a registered export producer, or the net selling price of export products sold by a registered export producer to another export producer, or to an export trader that subsequently exports the same; *Provided*, That sales of export products to another producer or to an export trader shall only be deemed export sales when actually exported by the latter, as evidenced by landing certificates or similar commercial documents; *Provided,* further, That *pursuant to EO 226 and other special laws, even* without actual exportation, the following shall be considered constructively exported: (1) sales to bonded manufacturing warehouses of export-

[76] SUBJECT: Consolidated Value-Added Tax Regulations of 2005.
[77] SUBJECT: Amending Certain Provisions of Revenue Regulations No. 16-2005, As Amended, Otherwise Known as the Consolidated Value-Added Tax Regulations of 2005.

oriented manufacturers; **(2) sales to export processing zones *pursuant to Republic Act (RA) Nos. 7916, as amended, 7903, 7922 and other similar export processing zones***; **(3) *sale to enterprises duly registered and accredited with the Subic Bay Metropolitan Authority pursuant to RA 7227***; (4) sales to registered export traders operating bonded trading warehouses supplying raw materials in the manufacture of export products under guidelines to be set by the Board in consultation with the Bureau of Internal Revenue (BIR) and the Bureau of Customs (BOC); (5) sales to diplomatic missions and other agencies and/or instrumentalities granted tax immunities, of locally manufactured, assembled or repacked products whether paid for in foreign currency or not.

For purposes of zero-rating, the export sales of registered export traders shall include commission income. The exportation of goods on consignment shall not be deemed export sales until the export products consigned are in fact sold by the consignee: and ***Provided, finally,* that sales of goods, properties or services made by a VAT-registered supplier to a BOI-registered manufacturer/producer whose products are 100% exported are considered export sales. A certification to this effect must be issued by the Board of Investment (BOI) which shall be good for one year unless subsequently re-issued by the BOI**.

xxx xxx xxx

(c) *'Sales to Persons or Entities Deemed Tax-exempt under Special Law or International Agreement'* – **Sales of goods or property to persons or entities who are tax-exempt under special laws**, or international agreements to which the Philippines is signatory, such as, Asian Development Bank (ADB), International Rice Research Institute (IRRI), etc., **shall be effectively subject to VAT at zero-rate**." *(Emphases added)*

"SEC. 4.108-5. *Zero-Rated Sale of Services.* –

xxx xxx xxx

(b) *Transactions Subject to Zero Percent (0%) VAT Rate.* – The following services performed in the Philippines by a VAT-registered person shall be subject to zero percent (0%) VAT rate:

xxx xxx xxx

(2) **Services other than processing, manufacturing or re-packing** rendered to a person engaged in business **conducted outside the Philippines or to a non-resident person not engaged in business who is outside the Philippines** when the services are performed, the consideration for which is paid for in acceptable foreign currency and accounted for in accordance with the rules and regulations of the BSP;

(3) **Services rendered to persons or entities whose exemption under special laws** or international agreements to which the Philippines is a signatory **effectively subjects the supply of such services to zero percent (0%) rate**;*(Emphases added)*

Relative to the foregoing provisions and to this case, the special laws are RA No. 7227, as amended by RA No. 9400, otherwise known as "*Bases Conversion and Development Act of 1992*", and RA No. 7916, as amended, otherwise known as "*The Special Economic Zone Act of 1995.*" The relevant portions of said laws are quoted hereunder, to wit:

Sections 12 and 15 of RA No. 7227, as amended by RA No. 9400:

SEC. 12. *Subic Special Economic Zone.* – xxx

xxx xxx xxx

(b) **The Subic Special Economic Zone shall be operated and managed as a separate customs territory** ensuring free flow or movement of goods and capital within, into and exported out of the Subic Special Economic Zone, as well as provide incentives such as tax and duty-free importations of raw materials, capital and equipment. However, exportation or removal of goods from the territory of the Subic Special Economic Zone to the other parts of the Philippine territory shall be subject to customs duties and taxes under the Tariff and Customs Code of the Philippines, as amended, the National Internal Revenue Code of 1997, as amended, and other relevant tax laws of the Philippines.

(c) **The provision of existing laws, rules and regulations to the contrary notwithstanding, no national and local taxes shall be imposed within the Subic Special Economic Zone.** xxx. *(Emphases added)*

SEC. 15. *Clark Special Economic Zone (CSEZ) and Clark Freeport Zone (CFZ).* – Subject to the concurrence by

resolution of the local government units directly affected, the President is hereby authorized to create by executive proclamation a Special Economic Zone covering the lands occupied by the Clark military reservations and its contiguous extensions as embraced, covered and defined by the 1947 Military Bases Agreement between the Philippines and the United States of America, as amended, xxx.[78]

The CFZ shall be operated and managed as a separate customs territory ensuring free flow or movement of goods and capital equipment within, into and exported out of the CFZ, as well as provide incentives such as tax and duty-free importation of raw materials and capital equipment. xxx.

The provisions of existing laws, rules and regulations to the contrary notwithstanding, no national and local taxes shall be imposed on registered business enterprises within the CFZ. xxx.

xxx xxx xxx

Duly registered business enterprises that will operate in the Special Economic Zones to be created shall be entitled to the same tax and duty incentives as provided for under Republic Act No. 7916, as amended: *Provided*, That for the purpose of administering these incentives, the PEZA shall register, regulate, and supervise all registered enterprises within the Special Economic Zones. *(Emphases added)*

Sections 8 and 24 of RA No. 7916, as amended by RA No. 8748:

SECTION 8. *ECOZONE to be Operated and Managed as Separate Customs Territory.* – **The ECOZONE shall be managed and operated by the PEZA as separate customs territory**.

The PEZA is hereby vested with the authority to issue certificates of origin for products manufactured or processed in each ECOZONE in accordance with the prevailing rules of origin, and the pertinent regulations of the Department of Trade and Industry and/or the Department of Finance." *(Emphasis added)*

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[78] Pursuant to Proclamation No. 1035 dated March 10, 2006 signed by then President Gloria Macapagal-Arroyo, the latter created and designated the area covered by the Clark Special Economic Zone, and transferred these lands to the BCDA pursuant to RA No. 7227.

> "SECTION 24. *Exemption form National and Local Taxes.* – Except for real property taxes on land owned by developers, **no taxes, local and national, shall be imposed on business establishments operating within the ECOZONE.** xxx *(Emphasis added)*

Considering that Economic Zones or ECOZONES are viewed as foreign territories by legal fiction, sales of goods and services made by a VAT-registered person in Philippine customs territory to an entity registered and operating within an ecozone are considered exports to a foreign country subject to zero percent (0%) VAT. The case of *Commissioner of Internal Revenue vs. Toshiba Information Equipment (Phils.), Inc.*[79] which was later affirmed in the case of *Coral Bay Nickel Corporation vs. Commissioner of Internal Revenue*,[80] is instructive, to wit:

> This Court agrees, however, **that PEZA-registered enterprises, which would necessarily be located within ECOZONES, are VAT-exempt entities**, not because of Section 24 of Rep. Act No. 7916, as amended, which imposes the five percent (5%) preferential tax rate on gross income of PEZA-registered enterprises, in lieu of all taxes; but, rather, **because of Section 8 of the same statute which establishes the fiction that ECOZONES are foreign territory**.
>
> xxx An ECOZONE or a Special Economic Zone has been described as —
>
> xxx [S]elected areas with highly developed or which have the potential to be developed into agro-industrial, industrial, tourist, recreational, commercial, banking, investment and financial centers whose metes and bounds are fixed or delimited by Presidential Proclamations. An ECOZONE may contain any or all of the following: industrial estates (IEs), export processing zones (EPZs), free trade zones and tourist/recreational centers.
>
> The national territory of the Philippines outside of the proclaimed borders of the ECOZONE shall be referred to as the Customs Territory.
>
> Section 8 of Rep. Act No. 7916, as amended, mandates that the PEZA shall manage and operate the ECOZONES as

[79] G.R. No. 150154, August 9, 2005.
[80] G.R. No. 190506, June 13, 2016.

> a separate customs territory; thus, creating the fiction that the ECOZONE is a foreign territory. As a result, sales made by a supplier in the Customs Territory to a purchaser in the ECOZONE shall be treated as an exportation from the Customs Territory. Conversely, sales made by a supplier from the ECOZONE to a purchaser in the Customs Territory shall be considered as an importation into the Customs Territory.
>
> Given the preceding discussion, what would be the VAT implication of sales made by a supplier from the Customs Territory to an ECOZONE enterprise?
>
> **The Philippine VAT system adheres to the Cross Border Doctrine, according to which, no VAT shall be imposed to form part of the cost of goods destined for consumption outside of the territorial border of the taxing authority. Hence, actual export of goods and services from the Philippines to a foreign country must be free of VAT**; while, those destined for use or consumption within the Philippines shall be imposed with ten percent (10%) VAT.[81] *(Emphases added)*

Based on the foregoing statutory provisions and jurisprudential pronouncements, sales of goods and services by a VAT-registered taxpayer, such as herein petitioner, to entities located in ECOZONES, as well as to BOI-registered entities whose products are 100% exported, are considered "*export sales*" subject to the zero percent (0%) VAT rate.

To prove that its clients are duly registered with the PEZA, SBMA, CDC, and BOI, petitioner submitted various Certifications issued by such agencies. Likewise, petitioner presented the letter of the PEZA Director General, BGen Charito B. Plaza, dated October 6, 2016[82] addressed to petitioner's Chief Financial Officer, Mr. Yusuke Yamada and Certification issued by the BOI-Director (Incentives Service), Ms. Erlinda F. Arcellana, on October 18, 2016,[83] confirming the issuance of VAT zero-rating certifications to certain clients of petitioner. Listed below are petitioner's clients for the subject period of claim with the alleged proof of VAT zero-rating:[84]

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[81] Now at 12% VAT rate.
[82] Exhibit "P-4", Docket – Vol. 3, pp. 1221 to 1223.
[83] Exhibit "P-5", Docket – Vol. 3, p. 1224.
[84] Docket – Vol. 3, pp. 1225 to 1234 and USB.

Name of Customer	Proof of VAT zero-rating	Exhibit No.	Period Covered
ADNAMA MINING RESOURCES, INC.	Confirmation letter from BOI dated October 18, 2016; BOI Certification	"P-5"; "P-45-K-1"	January 1 to December 31, 2013
ASIA INTERNATIONAL AUCTIONEERS, INC.	SBMA Certificate of Tax Exemption	"P-6"; "P-45-K-30"	May 24, 2013 to May 23, 2014
BERONG NICKEL CORPORATION	Confirmation letter from BOI dated October 18, 2016; BOI Certification	"P-5"; "P-45-K-3"	January 1 to December 31, 2013
BIGLIFT PROPERTIES & DEVELOPMENT CORPORATION	SBMA Certificate of Tax Exemption	"P-7"	October 16, 2013 to October 15, 2014
CAGDIANAO MINING CORPORATION	Confirmation letter from BOI dated October 18, 2016; BOI Certification	"P-5"; "P-45-K-4"	January 1 to December 31, 2013
CARMEN COPPER CORPORATION	Confirmation letter from BOI dated October 18, 2016; BOI Certification	"P-5"; "P-45-K-5"	January 1 to December 31, 2013
CORAL BAY NICKEL CORPORATION	Confirmation letter from PEZA dated October 6, 2016; PEZA Certificate	"P-4"; "P-45-K-6"	2014
CTP CONSTRUCTION AND MINING CORP.	Confirmation letter from BOI dated October 18, 2016; BOI Certification	"P-5"; "P-45-K-7"	January 1 to December 31, 2013
FCF MINERALS CORP.	Confirmation letter from BOI dated October 18, 2016; BOI Certification	"P-5"; "P-45-K-8"	January to December 2013
HOUSE TECHNOLOGY INDUSTRIES PTE., LTD. (HTIPL)	Confirmation letter from PEZA dated October 6, 2016; PEZA Certification	"P-4"; "P-45-K-9"	2014
HYS-YACHT PHILS. LTD., CO. INC.	SBMA Certificate of Tax Exemption	"P-8"; "P-45-K-31"	July 15, 2013 to July 14, 2014
JAMJLE PROPERTIES (SUBIC) AND DEVELOPMENT CORPORATION (formerly: JAMJLE EQUIPMENTS AND GEN. MERCHANDISE INC.)	SBMA Certificate of Tax Exemption	"P-9"; "P-45-K-2"	November 27, 2013 to November 26, 2014
K & A METAL INDUSTRIES, INC.	Confirmation letter from PEZA dated October 6, 2016; PEZA Certification	"P-4"; "P-45-K-21"	2014
KROMINCO, INC.	Confirmation letter from BOI dated October 18, 2016; BOI Certification	"P-5"; "P-45-K-22"	January to December 2013
LAPANDAY AGRICULTURAL AND DEVELOPMENT CORP.	Confirmation letter from BOI dated October 18, 2016; BOI Certification	"P-5"; "P-45-K-10"	January 1 to December 31, 2013
MAJESTIC LANDSCAPE CORPORATION (MLC)	Confirmation letter from PEZA dated October 6, 2016; PEZA Certification	"P-4"; "P-45-K-11"	2014
MARCVENTURES MINING AND DEVELOPMENT CORPORATION	Confirmation letter from BOI dated October 18, 2016	"P-5"	*None*
NORTHEAST GROUP OF COMPANIES, INC. (formerly: NORTHEAST FREIGHT FORWARDERS, INC.)	SBMA Certificate of Registration	"P-10"; "P-45-K-23"	March 4, 2014 to March 3, 2015
PHILIPPINE BATTERIES, INCORPORATED (PBI)	Confirmation letter from PEZA dated October 6, 2016; PEZA Certification	"P-4"; "P-45-K-12"	2014
PLATINUM GROUP METALS CORPORATION	Confirmation letter from BOI dated October 18, 2016; BOI Certification	"P-5"; "P-45-K-13"	January 1 to December 31, 2013
RIO TUBA NICKEL MINING CORPORATION	Confirmation letter from BOI dated October 18, 2016; BOI Certification	"P-5"; "P-45-K-14"	January 1 to December 31, 2013
SCAD SERVICES (S) PTE., LTD. (PHIL. BRANCH)	Confirmation letter from PEZA dated October 6, 2016; PEZA	"P-4"; "P-45-K-	2014

(SSPL)	Certification	15"	
SMART ELECTRONICS MANUFACTURING SERVICE PHILIPPINES, INC. (SEPHIL)	Confirmation letter from PEZA dated October 6, 2016; PEZA Certification	"P-4"; "P-45-K-24"	2014
ST. LUKE'S MEDICAL CENTER (GLOBAL CITY) INC. (SLMCGCI)	Confirmation letter from PEZA dated October 6, 2016; PEZA Certification	"P-4"; "P-45-K-16"	2014
SUBIC BAY MOTORS CORPORATION	SBMA Certificate of Tax Exemption	"P-11"; "P-45-K-25"	October 22, 2013 to October 21, 2014
SUBIC CONSOLIDATED PROJECTS, INC.	SBMA Certificate of Tax Exemption	"P-12"; "P-45-K-20"	January 4, 2014 to January 3, 2015
SUBICPRO COMMODITIES CORPORATION	SBMA Certificate of Tax Exemption	"P-13"; "P-45-K-26"	April 25, 2013 to April 24, 2014
SUNWEST WATER AND ELECTRIC CO. (SUWECO), INC.	Specific Terms and Conditions; BOI Cert. of Registration (as New RE Developer)	"P-45-K-32"; "P-45-K-33"	*None*
TAGANITO HPAL NICKEL CORPORATION (THPAL)	Confirmation letter from PEZA dated October 6, 2016; PEZA Certification	"P-4"; "P-45-K-17"	2014
TAGANITO MINING CORPORATION	Confirmation letter from BOI dated October 18, 2016; BOI Certification	"P-5"; "P-45-K-18"	January 1 to December 31, 2013
TAILIN ABRASIVES CORPORATION	SBMA Certificate of Tax Exemption	"P-14"; "P-45-K-27"	April 25, 2013 to April 24, 2014
TRANS ASIA CONSTRUCTION DEVELOPMENT CORP.	CDC Certificate of Registration and Tax Exemption	"P-15"; "P-45-K-34"	April 1, 2013 to March 31, 2014
VISAYAS SLAKED LIME CORPORATION (VSLC)	Confirmation letter from PEZA dated October 6, 2016; PEZA Certification	"P-4"; "P-45-K-19"	2014
WU KONG SINGAPORE PTE. LTD. (PHIL. BRANCH) (WKSPL)	Confirmation letter from PEZA dated October 6, 2016; PEZA Certification	"P-4"; "P-45-K-28"	2014
YAZAKI-TORRES PARTS MANUFACTURING, INC. (YTPMI)	Confirmation letter from PEZA dated October 6, 2016; PEZA Certification	"P-4"; "P-45-K-29"	2014

Thus, petitioner's sales to the aforementioned entities qualify for VAT zero-rating pursuant to Sections 106(A)(2)(a)(3), (5) and (c) and 108(B)(3) of the NIRC of 1997, as amended, *except* for its sales to the following entities which are without BOI Certification to the effect that the said customers are BOI-registered manufacturers/producers whose products are 100% exported for the period covering the 4th quarter of FY 2014 or January 1, 2014 to March 31, 2014, to wit:

1) ADNAMA MINING RESOURCES, INC.;
2) BERONG NICKEL CORPORATION;
3) CAGDIANAO MINING CORPORATION;
4) CARMEN COPPER CORPORATION;
5) CTP CONSTRUCTION AND MINING CORP.;
6) FCF MINERALS CORP.;
7) KROMINCO, INC.;

8) LAPANDAY AGRICULTURAL AND DEVELOPMENT CORP.;
9) MARCVENTURES MINING AND DEVELOPMENT CORPORATION;
10) PLATINUM GROUP METALS CORPORATION;
11) RIO TUBA NICKEL MINING CORPORATION;
12) SUNWEST WATER AND ELECTRIC CO. (SUWECO), INC.; and
13) TAGANITO MINING CORPORATION.

Correspondingly, in the absence of the said BOI Certification respectively issued to the foregoing entities, petitioner's claimed zero-rated sales in the amount of ₱831,827,398.02 are denied VAT zero-rating, as determined as follows:

Exhibit No.	Name of Customer/Buyer	Amount
"P-45-P-1"	ADNAMA MINING RESOURCES INC	₱ 13,800.00
"P-45-P-2"	ADNAMA MINING RESOURCES INC	5,543.00
"P-45-P-2"	ADNAMA MINING RESOURCES INC	53,048.00
"P-45-P-3"	ADNAMA MINING RESOURCES INC	1,664.00
"P-45-P-3"	ADNAMA MINING RESOURCES INC	108.00
"P-45-P-4"	ADNAMA MINING RESOURCES INC	8,784.00
"P-45-P-5"	BERONG NICKEL CORPORATION	4,688.00
"P-45-P-6"	BERONG NICKEL CORPORATION	3,592.00
"P-45-P-6"	BERONG NICKEL CORPORATION	364.50
"P-45-P-7"	BERONG NICKEL CORPORATION	6,461.50
"P-45-P-7"	BERONG NICKEL CORPORATION	80,984.00
"P-45-P-8"	BERONG NICKEL CORPORATION	36,800.00
"P-45-P-9"	BERONG NICKEL CORPORATION	28,480.00
"P-45-P-10"	BERONG NICKEL CORPORATION	219,770.40
"P-45-P-11"	CAGDIANAO MINING CORPORATION	131,104.00
"P-45-P-11"	CAGDIANAO MINING CORPORATION	11,680.00
"P-45-P-12"	CAGDIANAO MINING CORPORATION	60,688.00
"P-45-P-13"	CAGDIANAO MINING CORPORATION	37,416.00
"P-45-P-14"	CAGDIANAO MINING CORPORATION	13,184.00
"P-45-N-7"	CARMEN COPPER CORP	63,320.00
"P-45-N-7"	CARMEN COPPER CORP	902,880.00
"P-45-N-8"	CARMEN COPPER CORP	3,045.00
"P-45-N-8"	CARMEN COPPER CORP	47,280.00
"P-45-N-9"	CARMEN COPPER CORP	5,250.00
"P-45-N-9"	CARMEN COPPER CORP	74,400.00
"P-45-N-10"	CARMEN COPPER CORP	26,365.00
"P-45-N-10"	CARMEN COPPER CORP	421,840.00
"P-45-N-11"	CARMEN COPPER CORP	755,520.00
"P-45-N-12"	CARMEN COPPER CORP	1,152.00
"P-45-N-13"	CARMEN COPPER CORP	0.48
"P-45-N-13"	CARMEN COPPER CORP	9,843.20
"P-45-N-14"	CARMEN COPPER CORP	33,024.00
"P-45-N-15"	CARMEN COPPER CORP	42,530.00

"P-45-N-15"	CARMEN COPPER CORP	680,320.00
"P-45-N-16"	CARMEN COPPER CORP	18,441.65
"P-45-N-16"	CARMEN COPPER CORP	302,570.60
"P-45-N-17"	CARMEN COPPER CORP	1,310.00
"P-45-N-17"	CARMEN COPPER CORP	20,640.00
"P-45-N-18"	CARMEN COPPER CORP	1,735.50
"P-45-N-18"	CARMEN COPPER CORP	20,536.00
"P-45-N-19"	CARMEN COPPER CORP	759,968.00
"P-45-N-19"	CARMEN COPPER CORP	98,138.00
"P-45-N-20"	CARMEN COPPER CORP	6,925.00
"P-45-N-20"	CARMEN COPPER CORP	109,520.00
"P-45-N-21"	CARMEN COPPER CORP	348,336.00
"P-45-N-21"	CARMEN COPPER CORP	14,820.50
"P-45-N-22"	CARMEN COPPER CORP	993.00
"P-45-N-22"	CARMEN COPPER CORP	23,792.00
"P-45-N-23"	CARMEN COPPER CORP	10,760.00
"P-45-N-23"	CARMEN COPPER CORP	556.00
"P-45-N-24"	CARMEN COPPER CORP	91,184.00
"P-45-N-25"	CARMEN COPPER CORP	21,280.00
"P-45-N-26"	CARMEN COPPER CORP	1,568,636.96
"P-45-N-27"	CARMEN COPPER CORP	1,732,584.08
"P-45-N-28"	CARMEN COPPER CORP	282,080.00
"P-45-N-29"	CARMEN COPPER CORP	731,888.80
"P-45-N-30"	CARMEN COPPER CORP	913,420.32
"P-45-N-31"	CARMEN COPPER CORP	37,614.50
"P-45-N-31"	CARMEN COPPER CORP	896,056.00
"P-45-N-32"	CARMEN COPPER CORP	24,129.50
"P-45-N-32"	CARMEN COPPER CORP	210,264.00
"P-45-N-33"	CARMEN COPPER CORP	36,890.00
"P-45-N-33"	CARMEN COPPER CORP	974,312.00
"P-45-N-34"	CARMEN COPPER CORP	36,890.00
"P-45-N-34"	CARMEN COPPER CORP	974,312.00
"P-45-O-7"	CARMEN COPPER CORP	1,650,920.20
"P-45-O-7"	CARMEN COPPER CORP	76,550.40
"P-45-O-8"	CARMEN COPPER CORP	61,080.00
"P-45-O-8"	CARMEN COPPER CORP	3,785.50
"P-45-O-9"	CARMEN COPPER CORP	621,216.00
"P-45-O-9"	CARMEN COPPER CORP	77,462.00
"P-45-O-10"	CARMEN COPPER CORP	184,128,000.00
"P-45-O-11"	CARMEN COPPER CORP	280,377,280.00
"P-45-O-12"	CARMEN COPPER CORP	69,475,000.00
"P-45-O-13"	CARMEN COPPER CORP	63,768.00
"P-45-O-13"	CARMEN COPPER CORP	3,186.50
"P-45-P-15"	CARMEN COPPER CORP	172,032.00
"P-45-P-15"	CARMEN COPPER CORP	10,944.00
"P-45-P-16"	CARMEN COPPER CORP	27,880.00
"P-45-P-17"	CARMEN COPPER CORP	2,096.00
"P-45-P-17"	CARMEN COPPER CORP	180.20
"P-45-P-18"	CARMEN COPPER CORP	267,704.00
"P-45-P-18"	CARMEN COPPER CORP	17,594.50
"P-45-P-19"	CARMEN COPPER CORP	24,752.00
"P-45-P-19"	CARMEN COPPER CORP	1,797.00
"P-45-P-20"	CARMEN COPPER CORP	92,426.00
"P-45-P-20"	CARMEN COPPER CORP	760,416.00
"P-45-P-21"	CARMEN COPPER CORP	604,672.00

"P-45-P-21"	CARMEN COPPER CORP	47,366.50
"P-45-P-22"	CARMEN COPPER CORP	92,426.00
"P-45-P-22"	CARMEN COPPER CORP	760,416.00
"P-45-P-23"	CARMEN COPPER CORP	98,912.00
"P-45-P-23"	CARMEN COPPER CORP	10,023.60
"P-45-P-24"	CARMEN COPPER CORP	28,104.00
"P-45-P-24"	CARMEN COPPER CORP	2,432.00
"P-45-P-25"	CARMEN COPPER CORP	1,760.00
"P-45-P-25"	CARMEN COPPER CORP	110.00
"P-45-P-26"	CARMEN COPPER CORP	8,907.50
"P-45-P-26"	CARMEN COPPER CORP	140,760.00
"P-45-P-27"	CARMEN COPPER CORP	38,112.00
"P-45-P-27"	CARMEN COPPER CORP	2,794.00
"P-45-P-28"	CARMEN COPPER CORP	65,968.00
"P-45-P-28"	CARMEN COPPER CORP	4,395.00
"P-45-P-29"	CARMEN COPPER CORP	43,048.00
"P-45-P-29"	CARMEN COPPER CORP	2,695.50
"P-45-P-30"	CARMEN COPPER CORP	6,591.50
"P-45-P-30"	CARMEN COPPER CORP	105,064.00
"P-45-P-31"	CARMEN COPPER CORP	9,184.00
"P-45-P-31"	CARMEN COPPER CORP	886.00
"P-45-P-32"	CARMEN COPPER CORP	522,432.00
"P-45-P-32"	CARMEN COPPER CORP	34,452.00
"P-45-P-33"	CARMEN COPPER CORP	34,240.00
"P-45-P-33"	CARMEN COPPER CORP	1,700.00
"P-45-P-34"	CARMEN COPPER CORP	49,024.00
"P-45-P-34"	CARMEN COPPER CORP	3,322.00
"P-45-P-35"	CARMEN COPPER CORP	34,640.00
"P-45-P-35"	CARMEN COPPER CORP	2,165.00
"P-45-P-36"	CARMEN COPPER CORP	771.50
"P-45-P-36"	CARMEN COPPER CORP	21,648.00
"P-45-P-37"	CARMEN COPPER CORP	126,888.00
"P-45-P-37"	CARMEN COPPER CORP	12,110.50
"P-45-P-38"	CARMEN COPPER CORP	747.00
"P-45-P-38"	CARMEN COPPER CORP	25,147.16
"P-45-P-39"	CARMEN COPPER CORP	300,472.00
"P-45-P-39"	CARMEN COPPER CORP	19,128.50
"P-45-P-40"	CARMEN COPPER CORP	190.40
"P-45-P-41"	CARMEN COPPER CORP	(1,491.60)
"P-45-P-41"	CARMEN COPPER CORP	1,024,493.20
"P-45-P-42"	CARMEN COPPER CORP	7,704.00
"P-45-P-42"	CARMEN COPPER CORP	636,048.00
"P-45-P-43"	CARMEN COPPER CORP	900.00
"P-45-P-43"	CARMEN COPPER CORP	(2.40)
"P-45-P-44"	CARMEN COPPER CORP	780,636.00
"P-45-P-44"	CARMEN COPPER CORP	(1,675.20)
"P-45-P-45"	CARMEN COPPER CORP	911,704.00
"P-45-P-46"	CARMEN COPPER CORP	374,864.00
"P-45-P-46"	CARMEN COPPER CORP	10,601.00
"P-45-P-47"	CARMEN COPPER CORP	51,500.80
"P-45-P-47"	CARMEN COPPER CORP	3,260.92
"P-45-P-48"	CARMEN COPPER CORP	9,843.40
"P-45-P-48"	CARMEN COPPER CORP	96,816.00
"P-45-P-49"	CARMEN COPPER CORP	1,786,383.20
"P-45-P-49"	CARMEN COPPER CORP	0.32

"P-45-P-50"	CARMEN COPPER CORP	1,361,202.72
"P-45-P-51"	CARMEN COPPER CORP	215,036.80
"P-45-P-51"	CARMEN COPPER CORP	1.24
"P-45-P-52"	CARMEN COPPER CORP	64,864.00
"P-45-P-52"	CARMEN COPPER CORP	5,070.00
"P-45-P-53"	CARMEN COPPER CORP	420,192.00
"P-45-P-53"	CARMEN COPPER CORP	26,262.00
"P-45-P-54"	CARMEN COPPER CORP	167,442.00
"P-45-P-55"	CARMEN COPPER CORP	883,168.00
"P-45-P-55"	CARMEN COPPER CORP	85,871.00
"P-45-P-56"	CARMEN COPPER CORP	950,000.08
"P-45-P-56"	CARMEN COPPER CORP	4,928.00
"P-45-P-57"	CARMEN COPPER CORP	(5.00)
"P-45-P-57"	CARMEN COPPER CORP	1,159,077.60
"P-45-P-58"	CARMEN COPPER CORP	1,138,756.08
"P-45-P-59"	CARMEN COPPER CORP	2,578,364.56
"P-45-P-60"	CARMEN COPPER CORP	373,202.72
"P-45-P-60"	CARMEN COPPER CORP	11,808.00
"P-45-P-60"	CARMEN COPPER CORP	(17,190.40)
"P-45-P-61"	CARMEN COPPER CORP	5,646,047.40
"P-45-P-62"	CARMEN COPPER CORP	341,600.00
"P-45-P-62"	CARMEN COPPER CORP	37,090.00
"P-45-P-63"	CARMEN COPPER CORP	243,232.00
"P-45-P-63"	CARMEN COPPER CORP	9,967.34
"P-45-P-64"	CARMEN COPPER CORP	335,197.20
"P-45-P-65"	CARMEN COPPER CORP	2,076.50
"P-45-P-65"	CARMEN COPPER CORP	38,134.40
"P-45-P-66"	CARMEN COPPER CORP	1.12
"P-45-P-66"	CARMEN COPPER CORP	589,547.20
"P-45-P-67"	CARMEN COPPER CORP	110,600.00
"P-45-P-67"	CARMEN COPPER CORP	15,712.50
"P-45-P-68"	CARMEN COPPER CORP	110,600.00
"P-45-P-69"	CARMEN COPPER CORP	110,600.00
"P-45-P-69"	CARMEN COPPER CORP	15,712.50
"P-45-P-70"	CARMEN COPPER CORP	(176,753.20)
"P-45-P-70"	CARMEN COPPER CORP	598,970.60
"P-45-P-71"	CARMEN COPPER CORP	497,475.32
"P-45-P-72"	CARMEN COPPER CORP	250,496.00
"P-45-P-72"	CARMEN COPPER CORP	7,136.00
"P-45-P-73"	CARMEN COPPER CORP	622,483.20
"P-45-P-74"	CARMEN COPPER CORP	622,483.20
"P-45-P-75"	CARMEN COPPER CORP	33,282.80
"P-45-P-76"	CARMEN COPPER CORP	95,512.80
"P-45-P-77"	CARMEN COPPER CORP	4,393.23
"P-45-P-77"	CARMEN COPPER CORP	84,286.00
"P-45-P-78"	CARMEN COPPER CORP	83,317.50
"P-45-P-78"	CARMEN COPPER CORP	722,240.00
"P-45-P-79"	CARMEN COPPER CORP	864,143.60
"P-45-P-80"	CARMEN COPPER CORP	4,413.00
"P-45-P-80"	CARMEN COPPER CORP	58,080.00
"P-45-P-81"	CARMEN COPPER CORP	28,742.50
"P-45-P-81"	CARMEN COPPER CORP	400,408.00
"P-45-P-82"	CARMEN COPPER CORP	24,221.00
"P-45-P-82"	CARMEN COPPER CORP	253,776.00
"P-45-P-83"	CARMEN COPPER CORP	2,306,148.00

"P-45-P-83"	CARMEN COPPER CORP	23,616.00
"P-45-P-83"	CARMEN COPPER CORP	450,500.00
"P-45-P-84"	CARMEN COPPER CORP	45,385.50
"P-45-P-84"	CARMEN COPPER CORP	700,056.00
"P-45-P-85"	CARMEN COPPER CORP	1.60
"P-45-P-85"	CARMEN COPPER CORP	341,048.00
"P-45-P-86"	CARMEN COPPER CORP	30,475.16
"P-45-P-86"	CARMEN COPPER CORP	335.00
"P-45-P-87"	CARMEN COPPER CORP	50,648.00
"P-45-P-87"	CARMEN COPPER CORP	680,432.00
"P-45-P-88"	CARMEN COPPER CORP	759,754.80
"P-45-P-89"	CARMEN COPPER CORP	347,368.00
"P-45-P-90"	CARMEN COPPER CORP	422,320.00
"P-45-P-90"	CARMEN COPPER CORP	45,295.00
"P-45-P-90"	CARMEN COPPER CORP	50,235.50
"P-45-P-91"	CARMEN COPPER CORP	563,544.00
"P-45-P-92"	CARMEN COPPER CORP	295,666.88
"P-45-P-93"	CARMEN COPPER CORP	346,744.88
"P-45-P-94"	CARMEN COPPER CORP	720,800.00
"P-45-P-94"	CARMEN COPPER CORP	88,850.00
"P-45-P-95"	CARMEN COPPER CORP	429,040.00
"P-45-P-96"	CARMEN COPPER CORP	759,968.00
"P-45-P-96"	CARMEN COPPER CORP	98,138.00
"P-45-P-97"	CARMEN COPPER CORP	30,280.00
"P-45-P-98"	CARMEN COPPER CORP	930,836.80
"P-45-P-99"	CARMEN COPPER CORP	198,984.00
"P-45-P-99"	CARMEN COPPER CORP	12,436.50
"P-45-P-100"	CARMEN COPPER CORP	70,624.80
"P-45-P-101"	CARMEN COPPER CORP	474,594.40
"P-45-P-101"	CARMEN COPPER CORP	1,344.00
"P-45-P-102"	CARMEN COPPER CORP	394,928.60
"P-45-P-103"	CARMEN COPPER CORP	254,305.60
"P-45-P-103"	CARMEN COPPER CORP	9,452.40
"P-45-P-104"	CARMEN COPPER CORP	509,956.00
"P-45-P-105"	CARMEN COPPER CORP	2,020,176.00
"P-45-P-106"	CARMEN COPPER CORP	234,516.56
"P-45-P-107"	CARMEN COPPER CORP	1,659,821.60
"P-45-P-107"	CARMEN COPPER CORP	79,512.00
"P-45-P-108"	CARMEN COPPER CORP	744,424.00
"P-45-P-109"	CARMEN COPPER CORP	2,941,857.12
"P-45-P-110"	CARMEN COPPER CORP	32,720.00
"P-45-P-111"	CARMEN COPPER CORP	95,232.00
"P-45-P-112"	CARMEN COPPER CORP	1,387,296.00
"P-45-P-112"	CARMEN COPPER CORP	61,120.00
"P-45-P-113"	CARMEN COPPER CORP	415,075.20
"P-45-P-113"	CARMEN COPPER CORP	0.76
"P-45-P-114"	CARMEN COPPER CORP	1,404,139.82
"P-45-P-114"	CARMEN COPPER CORP	672.90
"P-45-P-115"	CARMEN COPPER CORP	610,817.40
"P-45-P-116"	CARMEN COPPER CORP	732,960.00
"P-45-P-117"	CARMEN COPPER CORP	39,488.00
"P-45-P-118"	CARMEN COPPER CORP	671,013.60
"P-45-P-119"	CARMEN COPPER CORP	141,992.00
"P-45-P-119"	CARMEN COPPER CORP	8,019.99
"P-45-P-120"	CARMEN COPPER CORP	83,136.00

"P-45-P-120"	CARMEN COPPER CORP	6,844.00
"P-45-P-121"	CARMEN COPPER CORP	113,600.00
"P-45-P-122"	CARMEN COPPER CORP	10,568.00
"P-45-P-122"	CARMEN COPPER CORP	5,772.50
"P-45-P-123"	CARMEN COPPER CORP	638,020.80
"P-45-P-124"	CARMEN COPPER CORP	19,365.00
"P-45-P-124"	CARMEN COPPER CORP	306,032.00
"P-45-P-125"	CARMEN COPPER CORP	94,166.40
"P-45-P-126"	CARMEN COPPER CORP	15,120.00
"P-45-P-127"	CARMEN COPPER CORP	1,157.00
"P-45-P-127"	CARMEN COPPER CORP	15,632.00
"P-45-P-128"	CARMEN COPPER CORP	518,200.00
"P-45-P-129"	CARMEN COPPER CORP	340,127.60
"P-45-P-130"	CARMEN COPPER CORP	259,040.00
"P-45-P-130"	CARMEN COPPER CORP	36,890.00
"P-45-P-131"	CARMEN COPPER CORP	19,170.00
"P-45-P-131"	CARMEN COPPER CORP	302,880.00
"P-45-P-132"	CARMEN COPPER CORP	54,462.00
"P-45-P-132"	CARMEN COPPER CORP	837,088.00
"P-45-P-133"	CARMEN COPPER CORP	803,664.00
"P-45-P-133"	CARMEN COPPER CORP	80,765.00
"P-45-P-134"	CARMEN COPPER CORP	1,132,114.24
"P-45-P-135"	CARMEN COPPER CORP	808,479.60
"P-45-P-136"	CARMEN COPPER CORP	14,145.49
"P-45-P-136"	CARMEN COPPER CORP	216,440.00
"P-45-P-137"	CARMEN COPPER CORP	398,233.52
"P-45-P-138"	CARMEN COPPER CORP	16.80
"P-45-P-138"	CARMEN COPPER CORP	336,751.20
"P-45-P-139"	CARMEN COPPER CORP	110,600.00
"P-45-P-139"	CARMEN COPPER CORP	15,712.50
"P-45-P-140"	CARMEN COPPER CORP	38,871.00
"P-45-P-140"	CARMEN COPPER CORP	584,304.00
"P-45-P-141"	CARMEN COPPER CORP	211.50
"P-45-P-141"	CARMEN COPPER CORP	3,384.00
"P-45-P-142"	CARMEN COPPER CORP	135,832.00
"P-45-P-142"	CARMEN COPPER CORP	8,489.50
"P-45-P-143"	CARMEN COPPER CORP	112,296.00
"P-45-P-143"	CARMEN COPPER CORP	7,380.50
"P-45-P-144"	CARMEN COPPER CORP	1,427.20
"P-45-P-144"	CARMEN COPPER CORP	31,896.00
"P-45-P-144"	CARMEN COPPER CORP	812,644.96
"P-45-P-145"	CARMEN COPPER CORP	3,898.00
"P-45-P-145"	CARMEN COPPER CORP	62,216.00
"P-45-P-146"	CARMEN COPPER CORP	356,016.00
"P-45-P-147"	CARMEN COPPER CORP	802,168.00
"P-45-P-147"	CARMEN COPPER CORP	107,535.50
"P-45-P-148"	CARMEN COPPER CORP	234,576.00
"P-45-P-148"	CARMEN COPPER CORP	16,033.00
"P-45-P-149"	CARMEN COPPER CORP	99,117.40
"P-45-P-149"	CARMEN COPPER CORP	873,328.00
"P-45-P-150"	CARMEN COPPER CORP	844,718.40
"P-45-P-150"	CARMEN COPPER CORP	77,252.86
"P-45-P-151"	CARMEN COPPER CORP	47,897.52
"P-45-P-152"	CARMEN COPPER CORP	383,817.20
"P-45-P-153"	CARMEN COPPER CORP	75,285.50

"P-45-P-153"	CARMEN COPPER CORP	712,728.00
"P-45-P-154"	CARMEN COPPER CORP	96,217.00
"P-45-P-154"	CARMEN COPPER CORP	918,672.00
"P-45-P-155"	CARMEN COPPER CORP	63,616.84
"P-45-P-156"	CARMEN COPPER CORP	47,144.00
"P-45-P-157"	CARMEN COPPER CORP	208,192.00
"P-45-P-158"	CARMEN COPPER CORP	29,702.40
"P-45-P-159"	CARMEN COPPER CORP	38,120.00
"P-45-P-159"	CARMEN COPPER CORP	2,732.00
"P-45-P-160"	CARMEN COPPER CORP	680.00
"P-45-P-160"	CARMEN COPPER CORP	15,600.00
"P-45-P-161"	CARMEN COPPER CORP	7,808.00
"P-45-P-161"	CARMEN COPPER CORP	488.00
"P-45-P-162"	CARMEN COPPER CORP	93,472.00
"P-45-P-163"	CARMEN COPPER CORP	8,228.00
"P-45-P-164"	CARMEN COPPER CORP	62,728.00
"P-45-P-164"	CARMEN COPPER CORP	3,920.50
"P-45-P-165"	CARMEN COPPER CORP	434,384.00
"P-45-P-165"	CARMEN COPPER CORP	14,868.00
"P-45-P-166"	CARMEN COPPER CORP	880.00
"P-45-P-167"	CARMEN COPPER CORP	18,064.20
"P-45-P-168"	CARMEN COPPER CORP	640.00
"P-45-P-169"	CARMEN COPPER CORP	1,028,464.32
"P-45-P-170"	CARMEN COPPER CORP	53,697.44
"P-45-P-171"	CARMEN COPPER CORP	15,456.00
"P-45-P-172"	CARMEN COPPER CORP	123,952.00
"P-45-P-173"	CARMEN COPPER CORP	165,136.00
"P-45-P-173"	CARMEN COPPER CORP	14,721.00
"P-45-P-174"	CARMEN COPPER CORP	356,176.16
"P-45-P-175"	CARMEN COPPER CORP	730,720.00
"P-45-P-175"	CARMEN COPPER CORP	43,922.60
"P-45-P-176"	CARMEN COPPER CORP	309,008.00
"P-45-P-176"	CARMEN COPPER CORP	19,694.70
"P-45-P-177"	CARMEN COPPER CORP	22,784.00
"P-45-P-178"	CARMEN COPPER CORP	297,888.00
"P-45-P-178"	CARMEN COPPER CORP	21,318.00
"P-45-P-179"	CARMEN COPPER CORP	283,504.00
"P-45-P-179"	CARMEN COPPER CORP	24,891.20
"P-45-P-180"	CARMEN COPPER CORP	9,760.00
"P-45-P-180"	CARMEN COPPER CORP	610.00
"P-45-P-181"	CARMEN COPPER CORP	22,000.00
"P-45-P-182"	CARMEN COPPER CORP	61,888.00
"P-45-P-182"	CARMEN COPPER CORP	3,924.00
"P-45-P-183"	CARMEN COPPER CORP	12,544.50
"P-45-P-183"	CARMEN COPPER CORP	107,544.00
"P-45-P-184"	CARMEN COPPER CORP	97,318.46
"P-45-P-184"	CARMEN COPPER CORP	411,064.00
"P-45-P-185"	CARMEN COPPER CORP	1,820,982.80
"P-45-P-186"	CARMEN COPPER CORP	939,148.48
"P-45-P-187"	CARMEN COPPER CORP	79,136.00
"P-45-P-187"	CARMEN COPPER CORP	5,606.00
"P-45-P-188"	CARMEN COPPER CORP	302,272.00
"P-45-P-188"	CARMEN COPPER CORP	22,249.00
"P-45-P-189"	CARMEN COPPER CORP	840.00
"P-45-P-189"	CARMEN COPPER CORP	13,440.00

"P-45-P-190"	CARMEN COPPER CORP	225,568.00
"P-45-P-190"	CARMEN COPPER CORP	22,434.00
"P-45-P-191"	CARMEN COPPER CORP	391,984.00
"P-45-P-191"	CARMEN COPPER CORP	31,674.00
"P-45-P-192"	CARMEN COPPER CORP	421,673.00
"P-45-P-192"	CARMEN COPPER CORP	2,747,370.00
"P-45-P-193"	CARMEN COPPER CORP	33,285.40
"P-45-P-193"	CARMEN COPPER CORP	1,787.00
"P-45-P-194"	CARMEN COPPER CORP	84,426.50
"P-45-P-194"	CARMEN COPPER CORP	594,024.00
"P-45-P-195"	CARMEN COPPER CORP	878,750.00
"P-45-P-195"	CARMEN COPPER CORP	70,337.50
"P-45-P-196"	CARMEN COPPER CORP	657,164.00
"P-45-P-197"	CARMEN COPPER CORP	899,390.00
"P-45-P-197"	CARMEN COPPER CORP	44,969.50
"P-45-P-198"	CARMEN COPPER CORP	68,528.00
"P-45-P-198"	CARMEN COPPER CORP	12,287.00
"P-45-P-199"	CARMEN COPPER CORP	618,838.00
"P-45-P-199"	CARMEN COPPER CORP	20,363.00
"P-45-P-200"	CARMEN COPPER CORP	552,840.00
"P-45-P-200"	CARMEN COPPER CORP	27,822.10
"P-45-P-201"	CARMEN COPPER CORP	312,130.00
"P-45-P-201"	CARMEN COPPER CORP	15,576.50
"P-45-P-202"	CARMEN COPPER CORP	1,100,189.60
"P-45-P-203"	CARMEN COPPER CORP	1,663,837.00
"P-45-P-204"	CARMEN COPPER CORP	797,931.60
"P-45-P-205"	CARMEN COPPER CORP	551,912.04
"P-45-P-205"	CARMEN COPPER CORP	1.60
"P-45-P-206"	CARMEN COPPER CORP	23,616.00
"P-45-P-206"	CARMEN COPPER CORP	1,873,982.00
"P-45-P-207"	CARMEN COPPER CORP	1,077,848.00
"P-45-P-208"	CARMEN COPPER CORP	30,608.00
"P-45-P-208"	CARMEN COPPER CORP	1,414.00
"P-45-P-209"	CARMEN COPPER CORP	690,088.00
"P-45-P-209"	CARMEN COPPER CORP	43,260.50
"P-45-P-210"	CARMEN COPPER CORP	446,304.00
"P-45-P-210"	CARMEN COPPER CORP	31,734.00
"P-45-P-211"	CARMEN COPPER CORP	12,640.00
"P-45-P-211"	CARMEN COPPER CORP	900.00
"P-45-P-212"	CARMEN COPPER CORP	203,088.00
"P-45-P-212"	CARMEN COPPER CORP	12,693.00
"P-45-P-213"	CARMEN COPPER CORP	395,520.00
"P-45-P-213"	CARMEN COPPER CORP	24,720.00
"P-45-P-214"	CARMEN COPPER CORP	2,896,410.00
"P-45-P-215"	CARMEN COPPER CORP	656,672.00
"P-45-P-215"	CARMEN COPPER CORP	30,731.00
"P-45-P-216"	CARMEN COPPER CORP	32,000.00
"P-45-P-216"	CARMEN COPPER CORP	2,882.00
"P-45-P-217"	CARMEN COPPER CORP	64,976.00
"P-45-P-217"	CARMEN COPPER CORP	12,223.00
"P-45-P-218"	CARMEN COPPER CORP	25,800.00
"P-45-P-218"	CARMEN COPPER CORP	1,663.50
"P-45-P-219"	CARMEN COPPER CORP	5,328.00
"P-45-P-219"	CARMEN COPPER CORP	335.00
"P-45-P-220"	CARMEN COPPER CORP	53,600.00

"P-45-P-220"	CARMEN COPPER CORP	3,380.00
"P-45-P-221"	CARMEN COPPER CORP	368,160.00
"P-45-P-221"	CARMEN COPPER CORP	33,400.00
"P-45-P-222"	CARMEN COPPER CORP	175,280.00
"P-45-P-222"	CARMEN COPPER CORP	16,755.00
"P-45-P-223"	CARMEN COPPER CORP	387,576.40
"P-45-P-224"	CARMEN COPPER CORP	11,688.16
"P-45-P-224"	CARMEN COPPER CORP	443,443.84
"P-45-P-225"	CARMEN COPPER CORP	689,632.56
"P-45-P-226"	CARMEN COPPER CORP	459,336.00
"P-45-P-226"	CARMEN COPPER CORP	48,108.50
"P-45-P-227"	CARMEN COPPER CORP	683,200.00
"P-45-P-227"	CARMEN COPPER CORP	74,180.00
"P-45-P-228"	CARMEN COPPER CORP	1,088,089.60
"P-45-P-228"	CARMEN COPPER CORP	(41,256.00)
"P-45-P-229"	CARMEN COPPER CORP	(1.60)
"P-45-P-229"	CARMEN COPPER CORP	888,992.00
"P-45-P-230"	CARMEN COPPER CORP	18,678.00
"P-45-P-230"	CARMEN COPPER CORP	256,800.00
"P-45-P-231"	CARMEN COPPER CORP	112,360.00
"P-45-P-231"	CARMEN COPPER CORP	23,278.50
"P-45-P-232"	CARMEN COPPER CORP	11,886.00
"P-45-P-232"	CARMEN COPPER CORP	190,176.00
"P-45-P-233"	CARMEN COPPER CORP	448,672.00
"P-45-P-234"	CARMEN COPPER CORP	289,592.00
"P-45-P-234"	CARMEN COPPER CORP	33,283.50
"P-45-P-235"	CARMEN COPPER CORP	55,524.00
"P-45-P-235"	CARMEN COPPER CORP	815,424.00
"P-45-P-236"	CARMEN COPPER CORP	143,124.80
"P-45-P-236"	CARMEN COPPER CORP	9,070.00
"P-45-P-237"	CARMEN COPPER CORP	13,927.50
"P-45-P-237"	CARMEN COPPER CORP	225,288.00
"P-45-P-238"	CARMEN COPPER CORP	3,925.00
"P-45-P-238"	CARMEN COPPER CORP	61,040.00
"P-45-P-239"	CARMEN COPPER CORP	4,295.95
"P-45-P-239"	CARMEN COPPER CORP	69,969.60
"P-45-P-240"	CARMEN COPPER CORP	23,468.00
"P-45-P-240"	CARMEN COPPER CORP	344,832.00
"P-45-P-241"	CARMEN COPPER CORP	4,126,853.60
"P-45-P-242"	CARMEN COPPER CORP	12,358.00
"P-45-P-242"	CARMEN COPPER CORP	615,016.00
"P-45-P-243"	CARMEN COPPER CORP	794,328.00
"P-45-P-244"	CARMEN COPPER CORP	236,640.00
"P-45-P-245"	CARMEN COPPER CORP	26,915.50
"P-45-P-245"	CARMEN COPPER CORP	430,648.00
"P-45-P-246"	CARMEN COPPER CORP	582,408.00
"P-45-P-246"	CARMEN COPPER CORP	72,500.50
"P-45-P-247"	CARMEN COPPER CORP	17,762.50
"P-45-P-247"	CARMEN COPPER CORP	343,880.00
"P-45-P-248"	CARMEN COPPER CORP	478,640.00
"P-45-P-248"	CARMEN COPPER CORP	66,155.00
"P-45-P-249"	CARMEN COPPER CORP	759,968.00
"P-45-P-249"	CARMEN COPPER CORP	98,138.00
"P-45-P-250"	CARMEN COPPER CORP	727,832.00
"P-45-P-250"	CARMEN COPPER CORP	95,589.50

"P-45-P-251"	CARMEN COPPER CORP	108,138.50
"P-45-P-251"	CARMEN COPPER CORP	871,016.00
"P-45-P-252"	CARMEN COPPER CORP	1,844,699.60
"P-45-P-252"	CARMEN COPPER CORP	(2,427.60)
"P-45-P-253"	CARMEN COPPER CORP	3,405,577.68
"P-45-P-253"	CARMEN COPPER CORP	38,254.60
"P-45-P-254"	CARMEN COPPER CORP	613,069.60
"P-45-P-255"	CARMEN COPPER CORP	4,913.50
"P-45-P-255"	CARMEN COPPER CORP	72,792.00
"P-45-P-256"	CARMEN COPPER CORP	10,361.50
"P-45-P-256"	CARMEN COPPER CORP	211,504.00
"P-45-P-257"	CARMEN COPPER CORP	154,160.00
"P-45-P-257"	CARMEN COPPER CORP	9,639.00
"P-45-P-258"	CARMEN COPPER CORP	11,221.40
"P-45-P-258"	CARMEN COPPER CORP	159,664.00
"P-45-P-259"	CARMEN COPPER CORP	2,665.00
"P-45-P-259"	CARMEN COPPER CORP	39,072.00
"P-45-P-260"	CARMEN COPPER CORP	1,680,098.40
"P-45-P-261"	CARMEN COPPER CORP	34,976.00
"P-45-P-261"	CARMEN COPPER CORP	450,384.00
"P-45-P-262"	CARMEN COPPER CORP	49,500.24
"P-45-P-262"	CARMEN COPPER CORP	690,355.20
"P-45-P-263"	CARMEN COPPER CORP	7,357.50
"P-45-P-263"	CARMEN COPPER CORP	97,432.00
"P-45-P-264"	CARMEN COPPER CORP	5,324.00
"P-45-P-264"	CARMEN COPPER CORP	80,704.00
"P-45-P-265"	CARMEN COPPER CORP	17,184.50
"P-45-P-265"	CARMEN COPPER CORP	280,920.00
"P-45-P-266"	CARMEN COPPER CORP	17,675.00
"P-45-P-266"	CARMEN COPPER CORP	207,056.00
"P-45-P-267"	CARMEN COPPER CORP	24,004.00
"P-45-P-267"	CARMEN COPPER CORP	313,584.00
"P-45-P-268"	CARMEN COPPER CORP	52,133.00
"P-45-P-268"	CARMEN COPPER CORP	834,128.00
"P-45-P-269"	CARMEN COPPER CORP	112,416.00
"P-45-P-269"	CARMEN COPPER CORP	7,026.00
"P-45-P-270"	CARMEN COPPER CORP	105,472.00
"P-45-P-270"	CARMEN COPPER CORP	10,720.00
"P-45-P-271"	CARMEN COPPER CORP	106,410.00
"P-45-P-272"	CARMEN COPPER CORP	288,841.60
"P-45-P-273"	CARMEN COPPER CORP	672,405.44
"P-45-P-274"	CARMEN COPPER CORP	671,185.60
"P-45-P-275"	CARMEN COPPER CORP	1,344.00
"P-45-P-275"	CARMEN COPPER CORP	294,362.80
"P-45-P-276"	CARMEN COPPER CORP	1,076,536.80
"P-45-P-277"	CARMEN COPPER CORP	1,489.65
"P-45-P-277"	CARMEN COPPER CORP	23,834.00
"P-45-P-278"	CARMEN COPPER CORP	653,365.20
"P-45-O-14"	CTP CONSTRUCTION & MINING CORP.	3,096.00
"P-45-O-14"	CTP CONSTRUCTION & MINING CORP.	6.00
"P-45-O-15"	CTP CONSTRUCTION & MINING CORP.	10,016.00
"P-45-O-15"	CTP CONSTRUCTION & MINING CORP.	487.00
"P-45-O-16"	CTP CONSTRUCTION & MINING CORP.	92,400.00
"P-45-O-17"	CTP CONSTRUCTION & MINING CORP.	225,809.60
"P-45-O-18"	CTP CONSTRUCTION & MINING CORP.	144.00

"P-45-O-19"	CTP CONSTRUCTION & MINING CORP.	2,136.00
"P-45-O-20"	CTP CONSTRUCTION & MINING CORP.	20,583.50
"P-45-O-20"	CTP CONSTRUCTION & MINING CORP.	442,728.00
"P-45-O-21"	CTP CONSTRUCTION & MINING CORP.	3,000.00
"P-45-O-21"	CTP CONSTRUCTION & MINING CORP.	35,600.00
"P-45-O-22"	CTP CONSTRUCTION & MINING CORP.	6,736.00
"P-45-O-23"	CTP CONSTRUCTION & MINING CORP.	13,344.00
"P-45-O-23"	CTP CONSTRUCTION & MINING CORP.	834.00
"P-45-O-24"	CTP CONSTRUCTION & MINING CORP.	122,664.00
"P-45-O-24"	CTP CONSTRUCTION & MINING CORP.	60.50
"P-45-O-25"	CTP CONSTRUCTION & MINING CORP.	34,880.00
"P-45-O-25"	CTP CONSTRUCTION & MINING CORP.	740.50
"P-45-O-26"	CTP CONSTRUCTION & MINING CORP.	812,272.00
"P-45-O-26"	CTP CONSTRUCTION & MINING CORP.	87,267.00
"P-45-O-27"	CTP CONSTRUCTION & MINING CORP.	24,769.50
"P-45-O-27"	CTP CONSTRUCTION & MINING CORP.	624,448.00
"P-45-O-28"	CTP CONSTRUCTION & MINING CORP.	27,250.00
"P-45-O-28"	CTP CONSTRUCTION & MINING CORP.	592,880.00
"P-45-O-29"	CTP CONSTRUCTION & MINING CORP.	3,247.00
"P-45-O-29"	CTP CONSTRUCTION & MINING CORP.	41,456.00
"P-45-O-30"	CTP CONSTRUCTION & MINING CORP.	404.00
"P-45-O-30"	CTP CONSTRUCTION & MINING CORP.	6,464.00
"P-45-O-31"	CTP CONSTRUCTION & MINING CORP.	151,520.00
"P-45-O-32"	CTP CONSTRUCTION & MINING CORP.	4,454.00
"P-45-O-32"	CTP CONSTRUCTION & MINING CORP.	67,808.00
"P-45-O-33"	CTP CONSTRUCTION & MINING CORP.	888.00
"P-45-O-34"	CTP CONSTRUCTION & MINING CORP.	888.00
"P-45-O-34"	CTP CONSTRUCTION & MINING CORP.	3,752.00
"P-45-O-35"	CTP CONSTRUCTION & MINING CORP.	3,216.00
"P-45-O-36"	CTP CONSTRUCTION & MINING CORP.	3,200.00
"P-45-O-36"	CTP CONSTRUCTION & MINING CORP.	73,384.00
"P-45-O-37"	CTP CONSTRUCTION & MINING CORP.	155,232.00
"P-45-O-37"	CTP CONSTRUCTION & MINING CORP.	2,093.50
"P-45-O-38"	CTP CONSTRUCTION & MINING CORP.	107,016.00
"P-45-O-38"	CTP CONSTRUCTION & MINING CORP.	3,500.00
"P-45-O-39"	CTP CONSTRUCTION & MINING CORP.	38,161.60
"P-45-O-39"	CTP CONSTRUCTION & MINING CORP.	539.50
"P-45-O-40"	CTP CONSTRUCTION & MINING CORP.	14,231.50
"P-45-O-40"	CTP CONSTRUCTION & MINING CORP.	36,896.00
"P-45-O-41"	CTP CONSTRUCTION & MINING CORP.	266,088.00
"P-45-O-41"	CTP CONSTRUCTION & MINING CORP.	35,000.00
"P-45-P-296"	FCF MINERALS CORPORATION	16,257.54
"P-45-P-297"	FCF MINERALS CORPORATION	12,656.38
"P-45-P-298"	FCF MINERALS CORPORATION	189,334.07
"P-45-P-298"	FCF MINERALS CORPORATION	27,877.39
"P-45-P-299"	FCF MINERALS CORPORATION	4,959.80
"P-45-P-300"	FCF MINERALS CORPORATION	9,777.92
"P-45-P-301"	FCF MINERALS CORPORATION	4,959.80
"P-45-P-302"	FCF MINERALS CORPORATION	11,170.77
"P-45-P-302"	FCF MINERALS CORPORATION	112,893.31
"P-45-P-303"	FCF MINERALS CORPORATION	444.00
"P-45-P-303"	FCF MINERALS CORPORATION	7,280.00
"P-45-P-304"	FCF MINERALS CORPORATION	12,422.70
"P-45-P-304"	FCF MINERALS CORPORATION	137,540.00
"P-45-P-352"	MARCVENTURES MINING AND DEVELOPMENT CORP	5,230.00

"P-45-P-352"	MARCVENTURES MINING AND DEVELOPMENT CORP	74,720.00
"P-45-P-353"	MARCVENTURES MINING AND DEVELOPMENT CORP	2,665.00
"P-45-P-353"	MARCVENTURES MINING AND DEVELOPMENT CORP	38,288.00
"P-45-P-354"	MARCVENTURES MINING AND DEVELOPMENT CORP	225,392.00
"P-45-P-354"	MARCVENTURES MINING AND DEVELOPMENT CORP	3,048.00
"P-45-P-354"	MARCVENTURES MINING AND DEVELOPMENT CORP	44,264.00
"P-45-P-355"	MARCVENTURES MINING AND DEVELOPMENT CORP	3,736.00
"P-45-P-356"	MARCVENTURES MINING AND DEVELOPMENT CORP	5,760.00
"P-45-P-357"	MARCVENTURES MINING AND DEVELOPMENT CORP	115,114.40
"P-45-P-358"	MARCVENTURES MINING AND DEVELOPMENT CORP	20,160.00
"P-45-P-358"	MARCVENTURES MINING AND DEVELOPMENT CORP	42,213.60
"P-45-P-359"	MARCVENTURES MINING AND DEVELOPMENT CORP	13,455.00
"P-45-P-359"	MARCVENTURES MINING AND DEVELOPMENT CORP	185,520.00
"P-45-P-360"	MARCVENTURES MINING AND DEVELOPMENT CORP	107,200.00
"P-45-P-361"	MARCVENTURES MINING AND DEVELOPMENT CORP	180,685.60
"P-45-P-362"	MARCVENTURES MINING AND DEVELOPMENT CORP	12,744.00
"P-45-P-362"	MARCVENTURES MINING AND DEVELOPMENT CORP	4,968.50
"P-45-P-363"	MARCVENTURES MINING AND DEVELOPMENT CORP	36,240.00
"P-45-P-363"	MARCVENTURES MINING AND DEVELOPMENT CORP	70,757.60
"P-45-P-364"	MARCVENTURES MINING AND DEVELOPMENT CORP	20,160.00
"P-45-P-364"	MARCVENTURES MINING AND DEVELOPMENT CORP	41,789.60
"P-45-P-365"	MARCVENTURES MINING AND DEVELOPMENT CORP	19,424.00
"P-45-P-365"	MARCVENTURES MINING AND DEVELOPMENT CORP	20,160.00
"P-45-P-366"	MARCVENTURES MINING AND DEVELOPMENT CORP	39,552.00
"P-45-P-367"	MARCVENTURES MINING AND DEVELOPMENT CORP	145,325.60
"P-45-P-367"	MARCVENTURES MINING AND DEVELOPMENT CORP	20,160.00
"P-45-P-368"	MARCVENTURES MINING AND DEVELOPMENT CORP	38,429.60
"P-45-P-368"	MARCVENTURES MINING AND DEVELOPMENT CORP	20,160.00
"P-45-P-369"	MARCVENTURES MINING AND DEVELOPMENT CORP	51,680.00
"P-45-P-370"	MARCVENTURES MINING AND DEVELOPMENT CORP	31,480.00
"P-45-P-371"	MARCVENTURES MINING AND DEVELOPMENT CORP	51,976.00
"P-45-P-371"	MARCVENTURES MINING AND DEVELOPMENT CORP	64,661.60
"P-45-P-374"	PLATINUM GROUP METALS CORP.	5,664.00
"P-45-P-375"	PLATINUM GROUP METALS CORP.	152,744.00
"P-45-P-376"	PLATINUM GROUP METALS CORP.	40,960.00
"P-45-P-377"	PLATINUM GROUP METALS CORP.	1,888.00
"P-45-P-378"	PLATINUM GROUP METALS CORP.	78,240.00
"P-45-P-379"	PLATINUM GROUP METALS CORP.	22,968.00
"P-45-P-380"	PLATINUM GROUP METALS CORP.	4,160.00
"P-45-P-380"	PLATINUM GROUP METALS CORP.	4,136.00
"P-45-P-381"	PLATINUM GROUP METALS CORP.	304.00

"P-45-P-382"	PLATINUM GROUP METALS CORP.	12,960.00
"P-45-P-383"	PLATINUM GROUP METALS CORP.	331,503.10
"P-45-P-384"	PLATINUM GROUP METALS CORP.	318,920.00
"P-45-P-385"	PLATINUM GROUP METALS CORP.	4,992.00
"P-45-P-385"	PLATINUM GROUP METALS CORP.	23,248.00
"P-45-P-386"	PLATINUM GROUP METALS CORP.	1,424.00
"P-45-P-387"	PLATINUM GROUP METALS CORP.	3,968.00
"P-45-P-516"	PLATINUM GROUP METALS CORP.	94,240.00
"P-45-O-52"	PLATINUM GROUP METALS CORPORATION	121,454,383.46
"P-45-O-53"	RIO TUBA NICKEL MINING CORPORATION	3,000,000.00
"P-45-P-388"	RIO TUBA NICKEL MINING CORPORATION	359,387.20
"P-45-P-389"	RIO TUBA NICKEL MINING CORPORATION	473,755.36
"P-45-P-389"	RIO TUBA NICKEL MINING CORPORATION	768.00
"P-45-P-390"	RIO TUBA NICKEL MINING CORPORATION	154,272.00
"P-45-P-391"	RIO TUBA NICKEL MINING CORPORATION	195,104.00
"P-45-P-392"	RIO TUBA NICKEL MINING CORPORATION	166,056.00
"P-45-P-392"	RIO TUBA NICKEL MINING CORPORATION	19,152.00
"P-45-P-393"	RIO TUBA NICKEL MINING CORPORATION	237,664.00
"P-45-P-394"	RIO TUBA NICKEL MINING CORPORATION	29,144.00
"P-45-P-395"	RIO TUBA NICKEL MINING CORPORATION	172,832.00
"P-45-P-396"	RIO TUBA NICKEL MINING CORPORATION	271,762.40
"P-45-P-397"	RIO TUBA NICKEL MINING CORPORATION	379,424.00
"P-45-P-397"	RIO TUBA NICKEL MINING CORPORATION	9,240.00
"P-45-N-37"	SUNWEST WATER AND ELECTRIC CO INC	47,160.00
"P-45-P-430"	TAGANITO MINING CORP	524,484.00
"P-45-P-430"	TAGANITO MINING CORP	77,824.00
"P-45-P-431"	TAGANITO MINING CORP	1,736.00
"P-45-P-432"	TAGANITO MINING CORP	39,732.00
"P-45-P-432"	TAGANITO MINING CORP	552,281.60
"P-45-P-433"	TAGANITO MINING CORP	3,544.00
"P-45-P-434"	TAGANITO MINING CORP	102,344.00
"P-45-P-435"	TAGANITO MINING CORP	91,368.00
"P-45-P-436"	TAGANITO MINING CORP	19,680.00
"P-45-P-437"	TAGANITO MINING CORP	11,880.00
"P-45-P-437"	TAGANITO MINING CORP	289,056.00
"P-45-P-438"	TAGANITO MINING CORP	48,280.00
"P-45-P-439"	TAGANITO MINING CORP	2,258,848.00
"P-45-P-440"	TAGANITO MINING CORP	1,864.00
"P-45-P-441"	TAGANITO MINING CORP	1,000,000.00
"P-45-P-442"	TAGANITO MINING CORP	189,304.00
"P-45-P-443"	TAGANITO MINING CORP	21,552.00
"P-45-P-444"	TAGANITO MINING CORP	3,816.00
"P-45-P-445"	TAGANITO MINING CORP	2,872.00
"P-45-P-446"	TAGANITO MINING CORP	1,344.00
"P-45-P-447"	TAGANITO MINING CORP	194,560.00
"P-45-P-448"	TAGANITO MINING CORP	217,328.00
"P-45-P-449"	TAGANITO MINING CORP	230,480.00
"P-45-P-450"	TAGANITO MINING CORP	789,472.00
"P-45-P-451"	TAGANITO MINING CORP	53,160.00
"P-45-P-452"	TAGANITO MINING CORP	52,920.00
"P-45-P-453"	TAGANITO MINING CORP	116,477.60
"P-45-P-454"	TAGANITO MINING CORP	78,168.00
"P-45-P-455"	TAGANITO MINING CORP	17,072.00
"P-45-P-456"	TAGANITO MINING CORP	4,480.00
"P-45-P-457"	TAGANITO MINING CORP	173,712.00

"P-45-P-458"	TAGANITO MINING CORP	115,808.00
"P-45-P-459"	TAGANITO MINING CORP	6,400.00
"P-45-P-460"	TAGANITO MINING CORP	108,528.00
"P-45-P-461"	TAGANITO MINING CORP	85,760.00
"P-45-P-462"	TAGANITO MINING CORP	33,400.00
"P-45-P-463"	TAGANITO MINING CORP	76,704.00
"P-45-P-464"	TAGANITO MINING CORP	129,584.00
"P-45-P-465"	TAGANITO MINING CORP	12,120.00
"P-45-P-465"	TAGANITO MINING CORP	1,145,780.80
"P-45-P-466"	TAGANITO MINING CORP	448.00
"P-45-P-467"	TAGANITO MINING CORP	8,736.00
"P-45-P-468"	TAGANITO MINING CORP	3,576.00
"P-45-P-469"	TAGANITO MINING CORP	3,576.00
"P-45-P-470"	TAGANITO MINING CORP	16,120.00
"P-45-P-471"	TAGANITO MINING CORP	2,616.80
"P-45-P-472"	TAGANITO MINING CORP	16,816.00
"P-45-P-473"	TAGANITO MINING CORP	3,576.00
"P-45-P-474"	TAGANITO MINING CORP	5,233.60
"P-45-P-475"	TAGANITO MINING CORP	17,016.00
"P-45-P-476"	TAGANITO MINING CORP	2,616.80
"P-45-P-477"	TAGANITO MINING CORP	15,700.80
"P-45-P-478"	TAGANITO MINING CORP	23,551.20
"P-45-P-479"	TAGANITO MINING CORP	48,280.00
"P-45-P-480"	TAGANITO MINING CORP	23,760.00
	Total	***P 831,827,398.02***

Compliance with the invoicing requirements under the law.

In any event, petitioner's export sales that qualify for VAT zero-rating under Sections 106(A)(2)(a)(3), (5) and (c) and 108(B)(3) of the NIRC of 1997, as amended, must further be supported by VAT zero-rated sales invoices [for sales of goods] and ORs [for sales of services] in accordance with Sections 113(A)(1) and (2), (B)(1), (2)(c) and (3) of the NIRC of 1997, as amended, as implemented by Sections 4.113-1(A)(1) and (2), (B)(1) and (2)(c) of RR No. 16-2005, which are all quoted hereunder:

> Sec. 113. *Invoicing and Accounting Requirements for VAT-registered Persons.* –
>
> (A) *Invoicing Requirements.* – A VAT-registered person shall issue:
>
> (1) A **VAT invoice for every sale**, barter or exchange **of goods or properties**; and

(2) A **VAT official receipt** for every lease of goods or properties, and **for every sale, barter or exchange of services**.

(B) *Information Contained in the VAT Invoice or VAT Official Receipt.* - The following information shall be indicated in the VAT invoice or VAT official receipt:

(1) A statement that the seller is a VAT-registered person, followed by his Taxpayer's Identification Number (TIN);

(2) The total amount which the purchaser pays or is obligated to pay to the seller with the indication that such amount includes the value-added tax: *Provided,* That:

xxx xxx xxx

(c) If the sale is subject to zero percent (0%) value-added tax, the term **'zero-rated sale'** shall be written or printed prominently on the invoice or receipt;

xxx xxx xxx

(3) The date of transaction, quantity, unit cost and description of the goods or properties or nature of the service; and xxx.

Sec. 4.113-1. *Invoicing Requirements.* –

(A) A VAT-registered person shall issue: –

(1) A VAT invoice for every sale, barter or exchange of goods or properties; and

(2) A VAT official receipt for every lease of goods or properties, and for every sale, barter or exchange of services.

Only VAT-registered persons are required to print their TIN followed by the word 'VAT' in their invoice or official receipts. Said documents shall be considered as a 'VAT Invoice' or VAT official receipt. All purchases covered by invoice/receipts other than VAT Invoice/VAT Official Receipt shall not give rise to any input tax.

VAT invoice/official receipt shall be prepared at least in duplicate, the original to be given to the buyer and the duplicate to be retained by the seller as part of his accounting records.

(B) *Information contained in VAT invoice or VAT official receipt.* – The following information shall be indicated in VAT invoice or VAT official receipt:

(1) A statement that the seller is a VAT-registered person, followed by his TIN;

(2) The total amount which the purchaser pays or is obligated to pay to the seller with the indication that such amount includes the VAT; *Provided,* That: xxx

(c) If the sale is subject to zero percent (0%) VAT, the term **'zero-rated sale'** shall be written or printed prominently on the invoice or receipt; xxx *(Emphasis supplied)*

In addition to the above requirements, the invoices and ORs must be duly registered with the BIR as prescribed under Section 237 in relation to Section 238 of the NIRC of 1997, as amended, to wit:

SEC. 237. *Issuance of Receipts or Sales or Commercial Invoices.* — All persons subject to an internal revenue tax shall, for each sale or transfer of merchandise or for services rendered valued at Twenty-five pesos (P25.00) or more, issue duly registered receipts or sales or commercial invoices, prepared at least in duplicate, showing the date of transaction, quantity, unit cost and description of merchandise or nature of service: xxx

SEC. 238. *Printing of Receipts or Sales or Commercial Invoices.* — All persons who are engaged in business shall secure from the Bureau of Internal Revenue an authority to print receipts or sales or commercial invoices before a printer can print the same.

No authority to print receipts or sales or commercial invoices shall be granted unless the receipts or invoices to be printed are serially numbered and shall show, among other things, the name, business style, Taxpayer Identification Number (TIN) and business address of the person or entity to use the same, and such other information that may be required by rules and regulations to be promulgated by the Secretary of Finance, upon recommendation of the Commissioner.

In *Eastern Telecommunications Philippines, Inc. vs. Commissioner of Internal Revenue,*[85] the Supreme Court held:

> An applicant for a claim for tax refund or tax credit must not only prove entitlement to the claim but also compliance with all the documentary and evidentiary requirements. Consequently, the old CTA, as affirmed by the CTA *en banc*, correctly ruled that a claim for the refund of creditable input taxes must be evidenced by a VAT invoice or official receipt in accordance with Section 110(A)(1) of the NIRC. Sections 237 and 238 of the same Code as well as Section 4.108-1 of RR No. 7-95 provide for the invoicing requirements that all VAT-registered taxpayers should observe, such as: (a) the BIR Permit to Print; (b) the Tax Identification Number of the VAT-registered purchaser; and (c) the word 'zero-rated' imprinted thereon. Thus, the failure to indicate the words 'zero-rated' on the invoices and receipts issued by a taxpayer would result in the denial of the claim for refund or tax credit. xxx

Based on the foregoing, it is vital for a taxpayer claiming tax refund/credit on its input taxes attributable to its zero-rated sales to prove that it had followed the invoicing requirements under the law.

Based on the ICPA's *Report*,[86] the zero-rated sales in the amount of ₱22,197,171.85, as detailed below, did not qualify as such due to non-compliance with the invoicing requirements under the law, to wit:

Exhibit Reference	Description	Amount
"P-45-T"	Zero-rated sales properly supported by official receipt or sales invoice, but not properly classified as zero-rated sales (without stamp "Zero-rated sales")	₱ 3,978,362.67
"P-45-Q"	Zero-rated sales without certificates of zero-rating from Customers	550,793.72
"P-45-R"	Zero-rated sales properly supported by charge sales invoice, dated outside the covered fiscal period.	12,237,958.28
"P-45-S"	Zero-rated sales not properly supported by charge sales invoice or OR (Bills and Debit/credit notes)	2,917,220.20
"P-45-BP"	Zero-rated sales with no supporting documents	2,512,836.98[87]
	Total Invalid Zero-rated Sales	**₱22,197,171.85**

[85] G.R. No. 183531, March 25, 2015.
[86] Exhibit "P-46", Docket – Vol. 2, p. 1081 and USB.
[87] ₱2,512,837.00 per ICPA *Report* (Item. c.2., Exhibit "P-46", Docket, p. 1081) but ₱2,512,836.98 per actual Schedule (Exhibit "P-45-BP").

Finding merit on the foregoing determinations of the ICPA, the same are sustained.

In addition, petitioner's claimed zero-rated sales in the amount of ₱12,542,182.58 shall also be denied VAT zero-rating for being supported by charge sales invoices with unreadable details, to wit:

Exhibit No.	Name of Customer/Buyer	Amount
"P-45-O-45"	K and A Metal Industries Inc.	₱ 17,359.57
"P-45-O-46"	K and A Metal Industries Inc.	24,823.01
"P-45-O-51"	Northeast Group of Companies Inc	12,500,000.00
	Total	***₱ 12,542,182.58***

Thus, out of the total reported zero-rated sales of ₱952,009,079.19 only the amount of ₱75,534,773.13, as computed below, qualify for VAT zero-rating for the 4th quarter of FY 2014:

FY 2014	4th Quarter
Total Reported Zero-Rated Sales	₱ 952,009,079.19
Less: Sales to CM Pancho Construction Incorporation[88]	7,410,873.12
Zero-Rated sales per Petition	₱ 944,598,206.07
Less: Sales denied of VAT zero-rating	
Per ICPA Report	22,197,171.85
Per this Court's further verification (₱2,496,680.49+₱831,827,398.02+₱12,542,182.58)	846,866,261.09
Valid Zero-Rated Sales	**₱75,534,773.13**

Such being the case, for purposes of the *fourth requisite*, the Court finds that petitioner had VAT zero-rated sales, but only in the said amount of ₱75,534,773.13 for the 4th quarter of FY 2014.

As for the *fifth requisite*, petitioner must prove that the acceptable foreign currency exchange proceeds have been duly accounted for in accordance with BSP rules and regulations, pursuant to Sections 106(A)(2)(a)(1), (2) and (b), and 108(B)(1) and (2), of the NIRC of 1997, as amended. However, since the legal basis for petitioner's zero-rated sales of ₱75,534,773.13 is Section 106(A)(2)(a)(3), (5) and (c) of the NIRC of 1997, as amended, the instant case need not comply with the said *fifth*

[88] Exhibit "P-46", Docket – Vol. 2, pp. 1072 to 1096, at p. 1080.

requisite. Moreover, while petitioner alleges that it has sales of services to a non-resident foreign corporation, the Court need **not** determine whether there was compliance with the same *fifth* requisite, since it was not duly proven, as above shown, that the said sales of services qualify for VAT zero-rating under Section 108(B)(2) of the NIRC of 1997, as amended.

Having found that petitioner had valid zero-rated sales in the total amount of ₱75,534,773.13 for the subject period of claim, the Court shall now proceed to determine whether petitioner complied with the following remaining requisites pertaining to the input VAT being claimed for refund or issuance of a tax credit certificate, to wit:

a) *sixth requisite:* the input taxes are not transitional input taxes;
b) *seventh requisite:* the input taxes are due or paid;
c) *eighth requisite:* the input taxes claimed are attributable to zero-rated or effectively zero-rated sales. However, where there are both zero-rated or effectively zero-rated sales and taxable or exempt sales, and the input taxes cannot be directly and entirely attributed to any of these sales, the input taxes shall be proportionately allocated on the basis of sales volume; and
d) *ninth requisite:* the input taxes have not been applied against output taxes during and in the succeeding quarters.

The input VAT being claimed does not appear to be transitional input taxes.

The claimed input taxes do *not* appear to be transitional input taxes, as understood under Section 111(A) of the NIRC of 1997, as amended by RA No. 9337, to wit:

> SEC. 111. *Transitional/Presumptive Input Tax Credits.* –
>
> (A) *Transitional Input Tax Credits.* – A person who becomes liable to value-added tax or any person who elects to be a VAT-registered person shall, subject to the filing of an

> inventory according to the rules and regulations prescribed by the Secretary of Finance, upon recommendation of the Commissioner, be allowed input tax on his beginning inventory of goods, materials and supplies equivalent to two percent (2%) of the value of such inventory or the actual value-added tax paid on such goods, materials and supplies, whichever is higher, which shall be creditable against the output tax.

Transitional input tax credit operates to benefit newly VAT-registered persons, whether or not they previously paid taxes in the acquisitions of their beginning inventory of goods, materials and supplies. During the period of transition from non-VAT to VAT status, the transitional input tax credit serves to alleviate the impact of the VAT on the taxpayer.[89]

Considering that there is no showing that the claimed input VAT is transitional input VAT, petitioner has complied with the *sixth requisite* for the grant of an input VAT refund.

Not all of the input VAT being claimed are due or paid.

Anent the *seventh requisite* in claiming VAT refund, it is necessary for petitioner to provide supporting documents to prove that the input taxes claimed during the 4th quarter of FY 2014 were actually due or paid in accordance with Section 110(A) of the NIRC of 1997, as amended, which provides that:

> SEC. 110. *Tax Credits.* —
>
> (A) *Creditable input Tax.* —
>
> (1) Any input tax evidenced by a VAT invoice or official receipt issued in accordance with Section 113 hereof on the following transactions shall be creditable against the output tax:
>
> (a) Purchase or importation of goods:
>
> (i) For sale; or

[89] *Fort Bonifacio Development Corporation vs. Commissioner of Internal Revenue*, G.R. Nos. 158885 and 170680, April 2, 2008.

(ii) For conversion into or intended to form part of a finished product for sale including packaging materials; or

(iii) For use as supplies in the course of business; or

(iv) For use as materials supplied in the sale of service; or

(v) For use in trade or business for which deduction for depreciation or amortization is allowed under this Code.

(b) Purchase of services on which a value-added tax has actually been paid.

(2) The input tax on domestic purchase or importation of goods or properties by a VAT-registered person shall be creditable:

(a) To the purchaser upon consummation of sale and on importation of goods or properties; and

(b) To the importer upon payment of the value-added tax prior to the release of the goods from the custody of the Bureau of Customs.

Provided, That the input tax on goods purchased or imported in a calendar month for use in trade or business for which deduction for depreciation is allowed under this Code, shall be spread evenly over the month of acquisition and the fifty-nine (59) succeeding months if the aggregate acquisition cost for such goods, excluding the VAT component thereof, exceeds One million pesos (₱1,000,000): *Provided, however*, That if the estimated useful life of the capital good is less than five (5) years, as used for depreciation purposes, then the input VAT shall be spread over such a shorter period: *Provided, finally*, That in the case of purchase of services, lease or use of properties, the input tax shall be creditable to the purchaser, lessee or licensee upon payment of the compensation, rental, royalty or fee.

The above provisions are implemented by Sections 4.110-1 to 4.110-3 of RR No. 16-2005, which provide as follows:

SECTION 4.110-1. *Credits For Input Tax.* — 'Input tax' means the VAT due on or paid by a VAT-registered person on importation of goods or local purchases of goods, properties, or services, including lease or use of properties, in the course of his trade or business. It shall also include the transitional input tax and the presumptive input tax determined in accordance with Sec. 111 of the Tax Code.

It includes input taxes which can be directly attributed to transactions subject to the VAT plus a ratable portion of any input tax which cannot be directly attributed to either the taxable or exempt activity.

Any input tax on the following transactions evidenced by a VAT invoice or official receipt issued by a VAT-registered person in accordance with Secs. 113 and 237 of the Tax Code shall be creditable against the output tax:

(a) Purchase or importation of goods

(1) For sale; or

(2) For conversion into or intended to form part of a finished product for sale, including packaging materials; or

(3) For use as supplies in the course of business; or

(4) For use as raw materials supplied in the sale of services; or

(5) For use in trade or business for which deduction for depreciation or amortization is allowed under the Tax Code,

(b) Purchase of real properties for which a VAT has actually been paid;

(c) Purchase of services in which a VAT has actually been paid;

xxx xxx xxx

SECTION 4.110-2. *Persons Who Can Avail of the Input Tax Credit.* — The input tax credit on importation of goods or local purchases of goods, properties or services by a VAT-registered person shall be creditable:

(a) To the importer upon payment of VAT prior to the release of goods from customs custody;

(b) To the purchaser of the domestic goods or properties upon consummation of the sale; or

(c) To the purchaser of services or the lessee or licensee upon payment of the compensation, rental, royalty or fee.

SECTION 4.110-3. *Claim for Input Tax on Depreciable Goods.* — Where a VAT-registered person purchases or imports capital goods, which are depreciable assets for income tax purposes, the aggregate acquisition cost of which (exclusive of VAT) in a calendar month exceeds One Million pesos (₱1,000,000.00), regardless of the acquisition cost of each capital good, shall be claimed as credit against output tax in the following manner:

(a) If the estimated useful life of a capital good is five (5) years or more — The input tax shall be spread evenly over a period of sixty (60) months and the claim for input tax credit will commence in the calendar month when the capital good is acquired. The total input taxes on purchases or importations of this type of capital goods shall be divided by 60 and the quotient will be the amount to be claimed monthly.

(b) If the estimated useful life of a capital good is less than five (5) years — The input tax shall be spread evenly on a monthly basis by dividing the input tax by the actual number of months comprising the estimated useful life of the capital good. The claim for input tax credit shall commence in the calendar month that the capital goods were acquired.

Where the aggregate acquisition cost (exclusive of VAT) of the existing or finished depreciable capital goods purchased or imported during any calendar month does not exceed One million pesos (₱1,000,000.00), the total input taxes will be allowable as credit against output tax in the month of acquisition; Provided, however, that the total amount of input taxes (input tax on depreciable capital goods plus other allowable input taxes) allowed to be claimed against the output tax in the quarterly VAT Returns shall be subject to the limitation prescribed under Sec. 4.110-7 of these Regulations.

The aggregate acquisition cost of a depreciable asset in any calendar month refers to the total price agreed upon for one or more assets acquired and not on the payments actually made during the calendar month. Thus, an asset acquired in installment for an acquisition cost of more than ₱1,000,000.00 will be subject to the amortization of input tax despite the fact that the monthly payments/installments may not exceed ₱1,000,000.00.

xxx xxx xxx

If the depreciable capital good is sold/transferred within a period of five (5) years or prior to the exhaustion of the amortizable input tax thereon, the entire unamortized input tax on the capital goods sold/transferred can be

> claimed as input tax credit during the month/quarter when the sale or transfer was made but subject to the limitation prescribed under Sec. 4.110-7 of these Regulations.

Furthermore, Section 4.110-8 of RR No. 16-2005 provides for the substantiation requirements of input tax credits on domestic purchases of goods, properties and services, as follows:

> SECTION 4.110-8. *Substantiation of Input Tax Credits.* —
>
> (a) Input taxes for the importation of goods or the domestic purchase of goods, properties or services is made in the course of trade or business, whether such input taxes shall be credited against zero-rated sale, non-zero-rated sales, or subjected to the 5% Final Withholding VAT, must be substantiated and supported by the following documents, and must be reported in the information returns required to be submitted to the Bureau:
>
> (1) For the importation of goods — import entry or other equivalent document showing actual payment of VAT on the imported goods.
>
> (2) For the domestic purchase of goods and properties — invoice showing the information required under Secs. 113 and 237 of the Tax Code.
>
> (3) For the purchase of real property — public instrument i.e., deed of absolute sale, deed of conditional sale, contract/agreement to sell, etc., together with VAT invoice issued by the seller.
>
> (4) For the purchase of services — official receipt showing the information required under Secs. 113 and 237 of the Tax Code.
>
> A cash register machine tape issued to a registered buyer shall constitute valid proof of substantiation of tax credit only if it shows the information required under Secs. 113 and 237 of the Tax Code.

It is categorically mentioned in the above provisions that in order to be entitled to input tax credits, the same must be evidenced by VAT invoices (for domestic purchases of goods or properties) or ORs (for domestic purchases of services) issued

in accordance with the above-quoted Section 113 of the NIRC of 1997, as amended.

Thus, in order to prove entitlement to credits for input taxes due or paid, petitioner must not only present the supporting documents prescribed under Section 4.110-8 of RR No. 16-2005, but more importantly, these documents must comply with the invoicing requirements under the earlier quoted Sections 113(A) and (B), 237 and 238 of the NIRC of 1997, as amended, and as implemented by Section 4.113-1(A) and (B) of RR No. 16-2005.

For the 4th quarter of FY 2014, petitioner declared input taxes in the total amount of ₱187,840,058.19, out of which the amount of ₱89,994,022.70 is the subject of petitioner's claim for refund, to wit:

Input taxes as declared per Amended Quarterly VAT Return for the 4th quarter of FY 2014: [90]

Nature of Transaction	Input Tax
Input Tax Deferred on Capital Goods exceeding P1Million from Previous Quarter *(Line 20B)*	₱ 2,731,710.09
Less: Input Tax on Purchases of Capital Goods Exceeding P1Million deferred for succeeding period *(Line 23A)*	2,536,494.62
Input tax Amortized for the period	₱ 195,215.47
Add: Current Input Taxes	
Domestic Purchases of Goods other than CG *(Line 21F)*	3,371,511.40
Importation of Goods Other than CG *(Line 21H)*	176,437,656.00
Domestic Purchase of Services *(Line 21J)*	7,835,675.32
Total Input Taxes for the period	**₱ 187,840,058.19**

Input taxes as per subject claim: [91]

Nature of Transaction	Input Tax
Total current input tax for the 4th quarter of fiscal year 2014	₱ 187,840,058.19
Less:	
Input tax directly attributable to VATable sale of machineries from current purchases	13,394,928.92
Input tax directly attributable to Zero-rated sale of machineries from current purchases	48,555,626.80
Input tax directly attributable to government sales from current purchases	824,161.61

[90] Exhibit "P-21", Docket – Vol. 3, pp. 1255 to 1256.
[91] Exhibit "P-46", Docket – Vol. 2, p. 1079.

Input tax directly attributable on current purchases not sold within the quarter		81,867,736.28
Current input tax available for allocation		₱ 43,197,604.58
Multiply by percentage of zero-rated sales in relation to total sales, computed as follows:		
VAT zero-rated sales receipt for the 4th quarter of fiscal year 2014	₱ 944,598,206.07	
Divide: Total sales/receipts for the 4th quarter of fiscal year 2014	2,341,063,968.40	40.35%
Input taxes from current purchases allocable to zero-rated sales during the quarter		₱ 17,429,844.01
Add:		
Input tax directly attributable to zero-rated sales of machineries from current purchases		48,555,626.80
Input tax directly attributable to zero-rated sales of machineries and spare parts which were imported in prior years but sold during the quarter		24,008,551.89
	Total	**₱89,994,022.70**

In support of its input taxes due or paid, petitioner submitted various sales invoices, ORs, Import Entry and Internal Revenue Declarations (IEIRDs), Bureau of Customs (BOC) Single Administrative Document (SAD), Statements of Settlement of Duties and Taxes (SSDTs), BOC ORs, and other related documents,[92] which were examined by the ICPA.

Summarized below are the input taxes for the 4th quarter of FY 2014 in the total amount of ₱187,840,058.19, as accounted for by the ICPA:[93]

	Exhibit No.	**Amount**
A. Input tax directly attributable to VATable sale of machineries from current purchases	"P-45-BR"	₱ 13,394,928.92

[92] Exhibits "P-45-U-1" to "P-45-U-84", "P-45-V-1", "P-45-W-1" to "P-45-W-8", "P-45-X-1" to "P-45-X-109", "P-45-Y-1" to "P-45-Y-5", "P-45-AZ-1" to "P-45-AZ-18", "P-45-AA-1" to "P-45-AA-32", "P-45-AB-1" to "P-45-AB-118", "P-45-AC-1" to "P-45-AC-4", "P-45-AD-1" to "P-45-AD-11", "P-45-AE-1" to "P-45-AE-6", "P-45-AF-1" to "P-45-AF-25", "P-45-BA-1" to "P-45-BA-51", "P-45-BB-1" to "P-45-BB-61", "P-45-BC-1" to "P-45-BC-18", "P-45-BD-1" to "P-45-BD-262", "P-45-BF-1" to "P-45-BF-39", "P-45-BG-1" to "P-45-BG-337", "P-45-BH-1" to "P-45-BH-291", "P-45-BI-1" to "P-45-BI-28", "P-45-BJ-1" to "P-45-BJ-44", "P-45-BK-1" to "P-45-BK-53", "P-45-BL-1" to "P-45-BL-68", "P-45-BM-1" to "P-45-BM-310", "P-45-BN-1" to "P-45-BN-92", "P-45-BO-1" to "P-45-BO-18", "P-45-BQ-1" to "P-45-BQ-3", "P-45-BR-1" to "P-45-BR-13", and "P-45-BS-1" to "P-45-BS-35".

[93] Exhibit "P-46", Findings and Observations Nos. 7 and 8, Docket – Vol. 2, pp. 1082 to 1087.

B. Input tax directly attributable on current purchases not sold within the quarter	"P-45-BS"	81,867,736.28
C. Input tax directly attributable to zero-rated sale of machineries from current purchases	"P-45-BQ"	48,555,626.80
D. Input tax directly attributable to government sales from current purchases	"P-46"[94]	824,161.61
E. Input tax available for allocation	"P-45-U" to "P-45-Y"; "P-45-AZ"; "P-45-BA" to "P-45-BO"; "P-45-Z"; "P-45-AA" to "P-45-AF"	43,197,604.58
Total		**₱187,840,058.19**

As per *Report* of the ICPA, out of the ₱43,197,604.58 current input tax available for allocation, the input VAT in the amount of ₱11,776,427.69[95] shall be disallowed for failure to meet the invoicing requirements under Sections 110(A), 113(A) and (B), and 237 of the NIRC of 1997, as amended, in relation to Sections 4.110-1, 4.110-2, 4.110-8 and 4.113-1 of RR No. 16-2005, as amended, to wit:

Exhibit No.	Description	Amount
1. Input tax on domestic purchase of goods and services [96]		
"P-45-BE"	Domestic purchase of goods and services with no supporting documents	₱ 7,789,196.67
"P-45-BF"	Domestic purchase of goods supported by documents other than VAT invoices	107,053.88
"P-45-BG"	Domestic purchase of services supported by documents other than VAT ORs	433,148.05
"P-45-BH"	Domestic purchase of goods and services supported by unreadable documents	58,594.12
"P-45-BI"	Domestic purchase of goods supported by VAT Invoice/ORs claimed outside the taxable quarter but within taxable year	76,602.19
"P-45-BJ"	Domestic purchase of services supported by VAT Invoice/ORs claimed outside the taxable quarter but within taxable year	95,412.22
"P-45-BK"	Domestic purchase of services supported by tape receipts but without permit number	4,643.25
"P-45-BL"	Domestic purchase of goods or services with missing/outdated ATP	448,602.72
"P-45-BM"	Domestic purchase of goods or services supported by VAT official receipts issued in the name of the petitioner wherein VAT amount was not separately disclosed	1,267,208.18
"P-45-BN"	Domestic purchase of goods supported by VAT invoices/VAT ORs but without/incorrect name, TIN and/or address of the petitioner	202,243.28

[94] Findings and Observations Nos. 7.j. and 7.k., Docket – Vol. 2, p. 1086.
[95] With ₱0.01 difference per footing.
[96] Exhibit "P-46", Findings and Observations No. 7.e., Docket – Vol. 2, pp. 1083 to 1084.

"P-45-BO"	Domestic purchase of service supported by VAT Invoices/VAT ORs but without/incorrect name, TIN and/or address of the petitioner	287,011.66
Total input tax disallowed on local purchases		***₱10,769,716.22***
2. Input tax on importation of goods [97]		
"P-45-Y"	Importation of goods supported by Import Entry Declarations only	₱ 760,976.00
"P-45-AZ"	Importation of goods without supporting document	120,706.99
Total disallowed input tax on importations		***₱ 881,682.99***
3. Deferred input tax [98]		
"P-45-AA"	Input tax deferred on purchase of capital goods exceeding 1M supported by sales invoices but did not comply with the invoicing requirements	₱ 77,355.62
"P-45-AB"	Deferred input tax from purchase of capital goods exceeding 1 Million supported by unreadable tape receipt/invoice	110.73
"P-45-AC"	Input tax on purchases of goods other than capital goods classified as Input tax on purchase of capital goods exceeding 1 Million	959.40
"P-45-AD"	Input tax on purchases of service classified as input tax on Purchase of capital goods exceeding 1 Million	1,682.59
"P-45-AE"	Deferred input tax from purchase of capital goods exceeding 1 Million supported by documents other than sales invoice	12,631.38
"P-45-AF"	Deferred input tax from purchase of capital goods exceeding 1 Million without supporting document	32,288.77
Total disallowed Deferred Input Tax		***₱ 125,028.49***
TOTAL		**₱11,776,427.70**

In addition to the above disallowances, the input VAT in the amount of ₱31,105,008.02 shall also be disallowed for failure to meet the substantiation and invoicing requirements under the aforementioned VAT law and regulations, to wit:

Exhibit No.	Customer Name	VAT Amount
a. Input VAT on domestic purchase of goods and services wherein the TIN of petitioner is not indicated in the invoice/receipt		
"P-45-BA-46"	WORLD BEST INDUSTRIAL SALES INC	₱ 739.96
"P-45-BB-1"	ORIENTAL ASSURANCE CORPORATION	486.55
"P-45-BD-20"	JONEL PATIGAYON	15.00
"P-45-BB-31"	MANUEL RANDY P ESTABLECIDA	289.29
"P-45-BB-50"	TUDLASAN SUSANO	300.00

[97] Exhibit "P-46", Findings and Observations No. 7.g., Docket – Vol. 2, p. 1084.
[98] Exhibit "P-46", Findings and Observations No. 7.i., Docket – Vol. 2, p. 1085.

"P-45-BB-57"	CHARTER PING AN INSURANCE CORP		1,680.00
"P-45-BB-61"	WHITEKNIGHT SECURITY AGENCY CORPORATION		1,463.61
"P-45-BD-11"	YALE HARDWARE CORP.		32.14
"P-45-BD-17"	CHARTER PING AN INSURANCE CORPORATION		75.11
"P-45-BD-19"	IRIS TUBIO ABADILLA		58.93
"P-45-BD-21"	JONEL PATIGAYON		15.00
"P-45-BD-22"	JORAM GOLDOVE HERRERA		21.43
"P-45-BD-23"	ASIAN BRIDGE EXPRESS INC		37.09
"P-45-BD-24"	ASIAN BRIDGE EXPRESS INC		60.00
"P-45-BD-25"	ASIAN BRIDGE EXPRESS INC		60.00
"P-45-BD-29"	MERALCO		234.02
"P-45-BD-30"	PEDRITO JR QUINONES RESUERA		115.71
"P-45-BD-31"	PEDRITO JR QUINONES RESUERA		75.00
"P-45-BD-32"	DAVAO LIGHT & POWER CO		53.47
"P-45-BD-87"	MAREONNE JOY B. ACHACOSO		10.71
"P-45-BD-88"	GEORGE PO		53.57
"P-45-BD-229"	MARTIN ARTHUR		61.07
Subtotal		***₱***	***5,937.66***
b. Input VAT on domestic purchase of goods and services wherein the TIN and address of the petitioner is not indicated in the invoice/receipt			
"P-45-BA-25"	TRUST MARKETING & AUTO SUPPLY	₱	385.71
"P-45-BA-26"	TRUST MARKETING & AUTO SUPPLY		167.14
"P-45-BA-27"	GEORGE PO		10.71
"P-45-BD-12"	BENJAMIN SORIANO ADRIANO		107.14
"P-45-BD-13"	BENJAMIN SORIANO ADRIANO		85.71
"P-45-BD-14"	JABBAR SANDY JESUS SEPTIMO PIMENTEL		53.57
"P-45-BD-131"	VIRGILIO EGUILOS SALES		21.43
"P-45-BD-137"	DIGITEL MOBILE PHILIPPINES INC		37.50
"P-45-BD-138"	DIGITEL MOBILE PHILIPPINES INC		37.50
"P-45-BD-139"	DIGITEL MOBILE PHILIPPINES INC		37.50
"P-45-BD-140"	DIGITEL MOBILE PHILIPPINES INC		38.89
"P-45-BD-149"	JAN JEFFREY SANCHEZ		16.93
"P-45-BD-219"	LOVELY LYN SANTIAGO		10.07
Subtotal		***₱***	***1,009.80***
c. Input VAT on domestic purchase of goods and services wherein the address of the petitioner is not indicated in the invoice/receipt			
"P-45-BA-37"	DAVAO MOLAVE TIRE SUPPLY	₱	2,742.86
"P-45-BD-26"	BIENVENIDO JR CANLAS BITENO		8.57
"P-45-BD-27"	KRISTOFFER GONGON FAVOR		68.79
"P-45-BD-47"	SANGIL RODELIO		22.29
"P-45-BD-238"	HAROLD GENETIA		20.68
Subtotal		***₱***	***2,863.19***
d. Input VAT on domestic purchase of goods and services wherein the name, TIN and address of the petitioner is not indicated in the invoice/receipt			
"P-45-BB-33"	JONATHAN GESULGA VUELBAN	₱	44.57
"P-45-BD-15"	PNB CREDIT CARDS		115.71
"P-45-BD-43"	JONATHAN GESULGA VUELBAN		22.29
"P-45-BD-48"	HERRERA JORAM G		10.71
"P-45-BD-49"	DUHAYLUNGSOD WIDMARK IRISK		9.43
"P-45-BD-96"	ALBERT ENRIQUEZ CASTRO		2.68
"P-45-BD-97"	JEROME GRAVE ORTEGA		35.79
"P-45-BD-132"	VIRGILIO EGUILOS SALES		11.36
Subtotal		***₱***	***252.54***
e. Input VAT on domestic purchase of service supported by official receipt not in petitioner's name			
"P-45-BD-159"	FINNEY ROBERT M	₱	176.25
Subtotal		***₱***	***176.25***

f. Input VAT on domestic purchase of service supported by cash receipt printed with "THIS DOCUMENT IS NOT VALID FOR CLAIM OF INPUT TAX"			
"P-45-BA-12"	MORSE HYDRAULICS SYSTEM CORPORATION	₱	388.93
Subtotal		***₱***	***388.93***
g. Input VAT on domestic purchase of service and importation of goods dated outside the period of claim			
"P-45-BA-38"	REFE LEONIDES	₱	33.43
"P-45-W-3"	KOMATSU MINING GERMANY		96,557.00
"P-45-W-7"	KOMATSU UNDERCARRIAGE INDONESIA		1,443,426.00
"P-45-W-8"	BOMAG FAYAT GROUP		2,453.00
Subtotal		***₱***	***1,542,469.43***
h. Input VAT on domestic purchase of goods and services which are not properly supported with invoice/receipt (supported only by tape receipt, debit note, etc.)			
"P-45-BB-30"	JUNEL MORGADO ANSAY	₱	9.00
"P-45-BD-2"	JONAS VILLAPA CANLAS		25.71
"P-45-BD-37"	JEROME GRAVE ORTEGA		69.43
"P-45-BD-38"	WIDMARK IRISH DESCALLAR DUHAYLUNGSOD		28.50
"P-45-BD-40"	MANUEL MARLENE		18.75
"P-45-BD-41"	JONATHAN GESULGA VUELBAN		21.11
"P-45-BD-42"	JONATHAN GESULGA VUELBAN		71.79
"P-45-BD-45"	ERICK VELASCO		2.14
"P-45-BD-50"	CHINEDO ROGELIO		49.71
"P-45-BD-51"	DELOS REYES JOEY		16.61
"P-45-BD-53"	SANGIL RODELIO		45.64
"P-45-BD-54"	BORROMEO ALEX		79.29
"P-45-BD-65"	JOSEPH ZALDY LEDON		44.57
"P-45-BD-86"	WIDMARK IRISH DESCALLAR DUHAYLUNGSOD		9.43
"P-45-BD-91"	WIDMARK IRISH DESCALLAR DUHAYLUNGSOD		12.96
"P-45-BD-92"	ROGELIO CABIAD CHINEDO		52.71
"P-45-BD-101"	LEONIDES RIVERA REFE		146.79
"P-45-BD-104"	VIRGILIO EGUILOS SALES		77.36
"P-45-BD-105"	VIRGILIO EGUILOS SALES		21.43
"P-45-BD-106"	JULITO B. GARCIA		22.93
"P-45-BD-107"	JEFFREY JR PERALTA MUNOZ		17.68
"P-45-BD-109"	MICO GUILE SAGUINSIN BUSANGILAN		16.61
"P-45-BD-112"	JONATHAN GESULGA VUELBAN		116.57
"P-45-BD-113"	VIRGILIO EGUILOS SALES		28.71
"P-45-BD-114"	ROBERTO COMAPON ADEVOSO		68.25
"P-45-BD-115"	ROBERTO COMAPON ADEVOSO		9.43
"P-45-BD-117"	LOPENA ROY E		37.50
"P-45-BD-121"	DIGITEL MOBILE PHILIPPINES INC		37.50
"P-45-BD-122"	VIRGILIO EGUILOS SALES		15.64
"P-45-BD-123"	JONAS VILLAPA CANLAS		107.57
"P-45-BD-125"	REYNAN ANGARA ROMUALDO		15.64
"P-45-BD-134"	JONATHAN GESULGA VUELBAN		35.79
"P-45-BD-135"	VICTOR TABERNILLA EDORA		2.68
"P-45-BD-142"	REYNAN ANGARA ROMUALDO		15.64
"P-45-BD-143"	MARK JOHN SUPRANES CORBEDA		2.14
"P-45-BD-148"	JAN JEFFREY SANCHEZ		36.43
"P-45-BD-150"	JAMES MAHINAY JARDENIL		12.43
"P-45-BD-152"	BON LAURO R CAPIRAL		8.46
"P-45-BD-153"	TSUYOSHI ISOGAMI		41.04
"P-45-BD-161"	TAN MICHELIN P		11.25
"P-45-BD-162"	COLOMA VICTORIO JIMENEZ		57.86
"P-45-BD-163"	JORAM GOLDOVE HERRERA		21.43
"P-45-BD-164"	ALBERT ENRIQUEZ CASTRO		37.93

"P-45-BD-171"	ROGELIO CABIAD CHINEDO	16.93
"P-45-BD-172"	ROBERTO COMAPON ADEVOSO	24.54
"P-45-BD-173"	ROBERTO COMAPON ADEVOSO	14.14
"P-45-BD-174"	ROBERTO COMAPON ADEVOSO	8.46
"P-45-BD-175"	ROBERTO COMAPON ADEVOSO	45.43
"P-45-BD-176"	GEORGE PO	98.04
"P-45-BD-181"	DARRYL BALINGIT JOSEPH	16.93
"P-45-BD-184"	BIENVENIDO JR CANLAS BITENO	22.29
"P-45-BD-185"	BIENVENIDO JR CANLAS BITENO	51.86
"P-45-BD-186"	MAREONNE JOY B. ACHACOSO	31.61
"P-45-BD-187"	VICTOR TABERNILLA EDORA	46.71
"P-45-BD-188"	VICTOR TABERNILLA EDORA	22.29
"P-45-BD-191"	LEONARD CUTIB ATAP	6.21
"P-45-BD-195"	BIENVENIDO JR CANLAS BITENO	25.50
"P-45-BD-199"	JULITO B. GARCIA	14.46
"P-45-BD-203"	WIDMARK IRISH DESCALLAR DUHAYLUNGSOD	14.36
"P-45-BD-205"	JAN ANDREW MARINAS ANTIMANO	28.29
"P-45-BD-206"	ROGELIO CABIAD CHINEDO	8.46
"P-45-BD-207"	ROGELIO CABIAD CHINEDO	22.29
"P-45-BD-208"	VIRGILIO EGUILOS SALES	58.29
"P-45-BD-209"	VIRGILIO EGUILOS SALES	154.71
"P-45-BD-210"	VIRGILIO EGUILOS SALES	32.79
"P-45-BD-213"	RHOMN CHRISTIAN CAO YU	7.18
"P-45-BD-214"	ANTHONY CARON	5.89
"P-45-BD-222"	SANCHEZ JAN JEFFREY	2.41
"P-45-BD-223"	JOSEPH ZALDY LEDON	7.50
"P-45-BD-224"	JOSEPH ZALDY LEDON	4.29
"P-45-BD-225"	REFE LEONIDES	7.71
"P-45-BD-228"	ANTIMANO JAN ANDREW	9.43
"P-45-BD-239"	BON LAURO R CAPIRAL	46.71
"P-45-BD-241"	LEANDRO MAGBANUA	58.93
"P-45-BD-242"	ALLIED BANK CREDIT CARDS	89.46
"P-45-BD-243"	ABRAHAM J DELA CRUZ	16.61
"P-45-BD-244"	AMOS BURKE CRUZ DE LEON	6.21
"P-45-BD-245"	AMOS BURKE CRUZ DE LEON	11.14
"P-45-BD-246"	BENJAMIN ADRIANO	5.14
"P-45-BD-247"	BITENO JR BIENVENIDO	10.29
"P-45-BD-248"	JONEL PATIGAYON	3.75
"P-45-BD-249"	DUHAYLUNGSOD WIDMARK IRISK	12.64
"P-45-BD-250"	DELOS REYES JOEY	18.86
"P-45-BD-251"	DELOS REYES JOEY	18.86
"P-45-BD-252"	AMOS BURKE DE LEON	8.00
"P-45-BD-256"	NAMOCATCAT ARNULFO	6.43
"P-45-BD-257"	JOSEPH ZALDY LEDON	44.57
"P-45-BD-258"	REYNAN ROMUALDO	21.43
"P-45-BD-259"	LAPAT GILBERT	10.71
Subtotal		***₱ 2,778.78***
i. Input VAT on domestic purchase of goods and services wherein the details in the invoices/receipts are unreadable.		
"P-45-BA-45"	RNS ELECTRONICS ENTERPRISES	₱ 3,514.29
"P-45-BB-25"	MATATAG CARGO LOGISTICS CORP	5,197.86
"P-45-BD-1"	BERNADETTE COSMIANO MAARAT	8.04
"P-45-BD-3"	JESUS ANTONIO ESPINOSA PARAS	57.14
"P-45-BD-5"	YU RHOMN CHRISTIAN	21.43
"P-45-BD-6"	MICHELLE MENDOZA TUAZON	73.29
"P-45-BD-7"	TRI STAR PAINTS CENTER & CONSTRUCTION SUPPLY	117.86

"P-45-BD-8"	WIDMARK IRISH DESCALLAR DUHAYLUNGSOD	9.43
"P-45-BD-9"	MICHELLE TUAZON	40.18
"P-45-BD-10"	DINA PUERTO	13.39
"P-45-BD-18"	ALEX JR ADONA BORROMEO	80.36
"P-45-BD-28"	HERRERA JORAM G	10.71
"P-45-BD-33"	LEOFRED ANGELO ERADOR	107.14
"P-45-BD-35"	BIENVENIDO JR CANLAS BITENO	46.71
"P-45-BD-36"	BIENVENIDO JR CANLAS BITENO	12.64
"P-45-BD-39"	MANUEL MARLENE	20.25
"P-45-BD-44"	JULITO B. GARCIA	37.93
"P-45-BD-52"	DELOS REYES JOEY	18.86
"P-45-BD-55"	JAN JEFFREY SANCHEZ	107.14
"P-45-BD-56"	ROGELIO CABIAD CHINEDO	29.97
"P-45-BD-57"	JONEL PATIGAYON	18.16
"P-45-BD-58"	IVAN GAMIAO	6.16
"P-45-BD-59"	WIDMARK IRISH DESCALLAR DUHAYLUNGSOD	49.93
"P-45-BD-60"	ABIGAEL M CABUNGAN	54.19
"P-45-BD-61"	VIRGILIO EGUILOS SALES	53.79
"P-45-BD-62"	VIRGILIO EGUILOS SALES	15.64
"P-45-BD-63"	REYNAN ANGARA ROMUALDO	39.21
"P-45-BD-64"	VICENTE JR MAGLAQUE OMAC	11.25
"P-45-BD-66"	JOSEPH ZALDY LEDON	4.82
"P-45-BD-67"	JOSEPH ZALDY LEDON	56.79
"P-45-BD-68"	JOSEPH ZALDY LEDON	128.79
"P-45-BD-69"	JABBAR SANDY JESUS SEPTIMO PIMENTEL	22.87
"P-45-BD-70"	JABBAR SANDY JESUS SEPTIMO PIMENTEL	37.72
"P-45-BD-71"	JABBAR SANDY JESUS SEPTIMO PIMENTEL	8.04
"P-45-BD-72"	JABBAR SANDY JESUS SEPTIMO PIMENTEL	22.88
"P-45-BD-73"	VIRGILIO EGUILOS SALES	15.64
"P-45-BD-74"	VIRGILIO EGUILOS SALES	53.79
"P-45-BD-75"	AMOS BURKE CRUZ DE LEON	46.29
"P-45-BD-76"	AMOS BURKE CRUZ DE LEON	26.14
"P-45-BD-77"	AMOS BURKE CRUZ DE LEON	5.14
"P-45-BD-78"	WIDMARK IRISH DESCALLAR DUHAYLUNGSOD	22.93
"P-45-BD-79"	WIDMARK IRISH DESCALLAR DUHAYLUNGSOD	9.43
"P-45-BD-80"	JAN ANDREW MARINAS ANTIMANO	33.64
"P-45-BD-81"	MICO GUILE SAGUINSIN BUSANGILAN	16.61
"P-45-BD-82"	ALDRIN COSTES CRUZ	46.07
"P-45-BD-83"	EDISON RYLLE VILLEGAS	10.71
"P-45-BD-84"	JAN JEFFREY SANCHEZ	5.14
"P-45-BD-85"	WIDMARK IRISH DESCALLAR DUHAYLUNGSOD	9.54
"P-45-BD-89"	FERDINAND CALBO	10.71
"P-45-BD-90"	WIDMARK IRISH DESCALLAR DUHAYLUNGSOD	9.43
"P-45-BD-93"	JORAM GOLDOVE HERRERA	34.29
"P-45-BD-94"	REYNAN ANGARA ROMUALDO	69.43
"P-45-BD-95"	ALBERT ENRIQUEZ CASTRO	19.50
"P-45-BD-98"	VICTOR TABERNILLA EDORA	45.86
"P-45-BD-99"	VICTOR TABERNILLA EDORA	18.86
"P-45-BD-100"	LEONIDES RIVERA REFE	21.43
"P-45-BD-102"	JAN ANDREW MARINAS ANTIMANO	22.29
"P-45-BD-103"	ROGELIO CABIAD CHINEDO	28.29
"P-45-BD-108"	JEFFREY JR PERALTA MUNOZ	2.68
"P-45-BD-110"	ERICK ORFANO VELASCO	4.82
"P-45-BD-111"	JONATHAN GESULGA VUELBAN	22.29
"P-45-BD-116"	LOPENA ROY E	23.57

"P-45-BD-118"	GERRICK B GONZALES	19.82
"P-45-BD-119"	GERRICK B GONZALES	19.82
"P-45-BD-120"	ROBERTO COMAPON ADEVOSO	5.14
"P-45-BD-124"	ALVINO ROSALES MACALALAD	161.36
"P-45-BD-126"	VIRGILIO EGUILOS SALES	15.64
"P-45-BD-127"	ROMAN JR TORRES CRUZ	21.75
"P-45-BD-128"	REYNAN ANGARA ROMUALDO	39.21
"P-45-BD-129"	REYNAN ANGARA ROMUALDO	21.43
"P-45-BD-130"	VIRGILIO EGUILOS SALES	39.21
"P-45-BD-133"	BRYAN LORENZO INDIONGCO	4.29
"P-45-BD-136"	LEONARD CUTIB ATAP	15.00
"P-45-BD-141"	JONAS VILLAPA CANLAS	161.36
"P-45-BD-144"	REYNAN ANGARA ROMUALDO	15.64
"P-45-BD-145"	ALVINO ROSALES MACALALAD	322.50
"P-45-BD-146"	JONAS VILLAPA CANLAS	78.00
"P-45-BD-147"	ALVIN CRIS MENDEZ BERNARDINO	24.86
"P-45-BD-151"	JAN ANDREW MARINAS ANTIMANO	16.93
"P-45-BD-154"	BIENVENIDO JR CANLAS BITENO	37.93
"P-45-BD-155"	JONEL PATIGAYON	37.20
"P-45-BD-156"	MAARAT BERNADETTE	12.32
"P-45-BD-157"	MAARAT BERNADETTE	15.00
"P-45-BD-158"	FINNEY ROBERT M	21.43
"P-45-BD-160"	LOPENA ROY E	18.75
"P-45-BD-165"	HERBERT FUENTES LUMAWIG	151.07
"P-45-BD-166"	EDDIE DELA CRUZ	10.71
"P-45-BD-167"	WILSON ABALOS	11.25
"P-45-BD-168"	ALDRIN MARTINEZ	11.25
"P-45-BD-169"	SHERILL CORTEZ MERDEGIA	7.18
"P-45-BD-170"	SHERILL CORTEZ MERDEGIA	21.75
"P-45-BD-177"	JAKE SAMSON	11.25
"P-45-BD-178"	BON LAURO R CAPIRAL	11.25
"P-45-BD-179"	JUNEL MORGADO ANSAY	49.82
"P-45-BD-180"	VICENTE JR MAGLAQUE OMAC	15.00
"P-45-BD-182"	DARRYL BALINGIT JOSEPH	22.29
"P-45-BD-183"	BIENVENIDO JR CANLAS BITENO	18.96
"P-45-BD-189"	VICTOR TABERNILLA EDORA	16.93
"P-45-BD-190"	LEONARD CUTIB ATAP	37.61
"P-45-BD-192"	MANUEL MARLENE	17.89
"P-45-BD-193"	SANTY BERMEO	32.14
"P-45-BD-194"	BIENVENIDO JR CANLAS BITENO	50.89
"P-45-BD-196"	BIENVENIDO JR CANLAS BITENO	18.96
"P-45-BD-197"	JULITO B. GARCIA	18.75
"P-45-BD-198"	JULITO B. GARCIA	18.75
"P-45-BD-200"	SAMUEL RAIZ	10.71
"P-45-BD-201"	LEONARD CUTIB ATAP	14.68
"P-45-BD-202"	WIDMARK IRISH DESCALLAR DUHAYLUNGSOD	28.29
"P-45-BD-204"	JAN ANDREW MARINAS ANTIMANO	14.36
"P-45-BD-211"	MARK JOSEPH CALASARA PASCUA	16.93
"P-45-BD-212"	RHOMN CHRISTIAN CAO YU	17.68
"P-45-BD-215"	#NAME?	20.89
"P-45-BD-216"	MAREONNE JOY B. ACHACOSO	20.89
"P-45-BD-217"	ERICK VELASCO	14.46
"P-45-BD-218"	DELA CRUZ DARYL B	41.79
"P-45-BD-220"	CHINEDO ROGELIO	14.14
"P-45-BD-221"	DELOS REYES JOEY	2.57

"P-45-BD-226"	FERDINAND CALBO	10.71
"P-45-BD-227"	LAPAT GILBERT	10.71
"P-45-BD-230"	BENITEZ RAYMOND	10.18
"P-45-BD-231"	CATAPANG PABLITO	18.86
"P-45-BD-232"	MARK JOSPEH PASCUA	81.96
"P-45-BD-233"	SALES VIRGILIO	116.57
"P-45-BD-234"	REYNAN ROMUALDO	145.71
"P-45-BD-235"	REYNAN ROMUALDO	8.36
"P-45-BD-236"	JONATHAN VUELBAN	44.57
"P-45-BD-237"	JONATHAN VUELBAN	141.00
"P-45-BD-240"	BON LAURO R CAPIRAL	17.89
"P-45-BD-253"	DIGITEL MOBILE PHILIPPINES INC	37.50
"P-45-BD-254"	DIGITEL MOBILE PHILIPPINES INC	37.50
"P-45-BD-255"	DIGITEL MOBILE PHILIPPINES INC	37.50
"P-45-BD-260"	WILSON ABALOS	11.25
"P-45-BD-261"	EDDIE DELA CRUZ	10.71
"P-45-BD-262"	VILLANUEVA REYNALDO	11.25
Subtotal		***₱ 13,337.29***
j. Input VAT on domestic purchase of goods and services wherein the transactions/ amounts per the Schedule provided by the ICPA cannot be ascertained with the supporting document		
"P-45-BC"	VARIOUS ACCOUNTS	₱ 2,524.18
Subtotal		***₱ 2,524.18***
k. Input VAT on importation of goods wherein the transactions/amounts per Imports Transaction Reconciliation of Listing for Enforcement cannot be ascertained with the supporting documents		
"P-45-U"	VARIOUS ACCOUNTS	₱ 16,595,632.99[99]
Subtotal		***₱ 16,595,632.99***
l. Input VAT on importation of goods supported by BOC IEIRD/Assessment Notice without machine validation/SSDTs or other documents to prove that the VAT were actually paid		
"P-45-X"	VARIOUS ACCOUNTS	₱ 12,867,450.00
Subtotal		***₱ 12,867,450.00***
m. Deferred input VAT without supporting documents/Denied Admission[100] by the Court		
"P-45-Z"	Deferred input tax from purchase of capital goods exceeding 1 million	₱ 70,186.98[101]
Subtotal		***₱ 70,186.98***
TOTAL		**₱ 31,105,008.02**

In sum, out of the current input VAT available for allocation of ₱43,197,604.58 for the 4th Quarter of FY 2014, petitioner was able to substantiate only the amount of ₱316,168.86, computed as follows:

Input VAT available for allocation		₱ 43,197,604.58
Less: Disallowances		
Per ICPA findings	₱ 11,776,427.70	
Per this Court's further verification	31,105,008.02	42,881,435.72
Substantiated input VAT due or paid		**₱ 316,168.86**

[99] Exhibit "P-46", Findings and Observations No. 7.f., Docket – Vol. 2, p. 1084.
[100] Docket – Vol. 3, p. 1679.
[101] Exhibit "P-46", Findings and Observations No. 7.h., Docket – Vol. 2, p. 1085.

A portion of petitioner's valid input taxes due or paid is attributable to its zero-rated or effectively zero-rated sales

To reiterate, the *eighth requisite* is to the effect that the input taxes claimed are attributable to zero-rated or effectively zero-rated sales. However, where there are both zero-rated or effectively zero-rated sales and taxable or exempt sales, and the input taxes cannot be directly and entirely attributable to any of these sales, the input taxes shall be proportionately allocated on the basis of sales volume.

Considering that petitioner is engaged in taxable sales subject to zero percent (0%) and twelve percent (12%) rates, and its common input VAT of ₱316,168.86 for the 4th quarter of FY 2014 cannot be directly or entirely attributed to any of the transactions, the same shall be allocated proportionately on the basis of the volume of its sales for the respective quarters in this wise:

Period	VAT Sales	Sales to Gov't	Zero-Rated Sales	Total Sales
(FY 2014)	(a)	(b)	(c)	(d = a+b+c)
4th Quarter	₱1,387,310,556.79	₱9,155,205.54	₱952,009,079.19	₱2,348,474,841.52
4th Quarter of FY 2014 substantiated input VAT attributable to:				
VAT Sales (₱1,387,310,556.79/ ₱2,348,474,841.52 x ₱316,168.86)				₱ 186,769.89
Sales to Gov't (₱9,155,205.54/ ₱2,348,474,841.52 x ₱316,168.86)				1,232.54
Zero-Rated Sales (₱952,009,079.19/ ₱2,348,474,841.52 x ₱316,168.86)				128,166.43
Total – 4th Quarter of FY 2014				**₱ 316,168.86**

Petitioner also included in its claim, the input VAT amounting to ₱48,555,626.80 and ₱24,008,551.89 which, accordingly, pertain to "*input tax directly attributable to zero-rated sales of machineries from current purchases*" and "*input tax directly attributable to zero-rated sales of machineries and spare parts which were imported in prior years but sold during the quarter*", respectively. However, the input VAT in the amounts of ₱562,020.80 and ₱12,830,657.81 shall be disallowed for the following reasons, to wit:

"Input tax directly attributable to zero-rated sales of machineries from current purchases"		
Input VAT on importations supported by BOC SAD/Assessment Notice without machine validation/SSDTs		
Exhibit No.	Customer Name	VAT Amount
"BQ 3"	BANGKOK KOMATSU CO., LTD	₱ 562,020.80
TOTAL		**₱ 562,020.80**

"Input tax directly attributable to zero-rated sales of machineries and spare parts which were imported in prior years but sold during the quarter"			
Input VAT on importations supported by IEIRDS without machine validation/SSDTs			
Exhibit No.	IEIRD/SN No.	VAT Amount per IEIRD	VAT Amount
"P-45-BT-6"	C129292	₱ 1,503,061.00	₱ 601,224.40
"P-45-BT-7"	C139396	346,933.77	173,468.69
"P-45-BT-8"	C0090310	8,086,342.08	2,021,585.52
"P-45-BT-9"	C0094401	12,041,255.04	10,034,379.20
TOTAL			**₱12,830,657.81**

Hence, out of the input VAT directly related to zero-rated sale of machineries imported during the current and prior period of ₱48,555,626.80 and ₱24,008,551.89, only the amounts of ₱47,993,606.00[102] and ₱11,177,894.08[103], respectively, which were duly supported by IEIRDs/SADs and SSDTs/bank confirmations, may be refunded.

In sum, petitioner's input VAT directly and indirectly attributable to its zero-rated sales amounted to ₱59,299,666.51, as computed below:

4th Quarter of FY 2014	**Amount**
Common input VAT due or paid allocable to zero-rated sales	₱ 128,166.43
Add: Input VAT directly attributable to zero-rated sales of machineries from current purchases	47,993,606.00
Input VAT directly attributable to zero-rated sales of machineries and spare parts which were imported in prior years but sold during the quarter	11,177,894.08
Total Input VAT attributable to zero-rated sales	**₱59,299,666.51**

Petitioner has no excess input VAT available for refund.

Having determined that petitioner had valid input VAT attributable to its zero-rated sales, the Court shall now determine whether the same was not applied against its output VAT liability.

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[102] ₱48,555,626.80 less ₱562,020.80.
[103] ₱24,008,551.89 less ₱12,830,657.81.

After deducting the input VAT attributable to VATable sales to private entities amounting to ₱3,539,167.39[104] from its output VAT liability of ₱166,477,266.81[105] on the said sales, petitioner still has a net output VAT payable of ₱162,938,099.42 as computed below:

Particulars	Amount
Output VAT per Return	₱166,477,266.81
Less: Input VAT attributable to VATable sales to private entities	3,539,167.39
Net output VAT Payable	**₱162,938,099.42**

Considering that the input VAT attributable to VATable sales to private entities is not enough to cover its output VAT liability, the input VAT attributable to zero-rated sales shall be utilized against the remaining output VAT liability. However, the input VAT attributable to zero-rated sales of ₱59,299,666.51 is way lower than the net output VAT payable of ₱162,938,099.42. Consequently, petitioner still has net output VAT due of ₱103,638,432.91, computed as follows:

Particulars	Amount
Net output VAT Payable	₱ 162,938,099.42
Less: Input VAT attributable to zero-rated sales	59,299,666.51
Net Output VAT Still Due	**₱103,638,432.91**

Although petitioner's Amended Quarterly VAT Return for the 4th quarter of FY 2014 reflected the amount of ₱369,111,554.05[106] as "*Input Tax Carried Over from Previous Period*", petitioner, however, failed to fully substantiate the same.

104

Common input VAT allocable to VATable sales to private entities		₱ 186,769.89
Add: Input tax directly attributable to VATable sale of machineries from current purchase (Exhibit "P-45-BR")		₱13,394,928.92
Less: Input VAT on importations supported by BOC IEIRD/SAD/ Assessment Notice without machine validation/SSDTs		
Actual Exhibit No.	Exhibit Reference per Schedule	Amount
"P-45-BR-1"	"P-45-BR-12"	₱ 3,934,145.60
"P-45-BR-2"	"P-45-BR-13"	568,997.07
"P-45-BR-8"	"P-45-BR-10"	397,931.75
"P-45-BR-9"	"P-45-BR-4"	214,037.00
"P-45-BR-10"	"P-45-BR-11"	4,927,420.00
TOTAL		*₱10,042,531.42*
Input VAT attributable to VATable sales to private entities		**₱ 3,539,167.39**

105 Exhibit "P-21" (Line 15B), Docket - Vol. 3, p. 1255.
106 Exhibit "P-21" (Line 20A), Docket - Vol. 3, p. 1255.

As ascertained by the ICPA, out of the reported input VAT from the 2nd quarter of FY 2013 up to the 3rd quarter of FY 2014 in the aggregate amount of ₱915,618,038.88[107], only the input VAT on importations in the amount of ₱758,489,926.43[108] were verified. Even assuming that the amount of ₱758,489,926.43 were valid input VAT attributable to VATable sales to private entities and zero-rated sales, the same is still not enough to cover its reported output VAT on VATable sales to private entities for the same period in the aggregate amount of ₱776,092,538.96[109], thereby resulting in net output VAT payable of ₱17,602,612.53[110]. Needless to say, petitioner failed to prove that it has excess input VAT carried over from the previous period.

Accordingly, the input tax carry-over of ₱369,111,554.05, cannot be validly applied against petitioner's output tax pursuant to Section 110(A) in relation to Section 110(B) of the NIRC of 1997, as amended, which states:

> SEC. 110. *Tax Credits.* —
>
> (A) *Creditable Input Tax.* —
>
> (1) Any input tax evidenced by a VAT invoice or official receipt issued in accordance with Section 113 hereof on the following transactions shall be creditable against the output tax:
>
> xxx xxx xxx
>
> (B) *Excess Output or Input Tax.* — If at the end of any taxable quarter the output tax exceeds the input tax, the excess shall be paid by the Vat-registered person. If the input tax exceeds the output tax, the excess shall be carried over to the succeeding quarter or quarters: xxx.

It is worthy to stress that in claiming excess or unutilized input VAT from zero-rated transactions, it is the excess input tax over the output tax which should be refunded to the taxpayer or credited against other internal revenue taxes. Hence, it is important for the taxpayer to prove that it has

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[107] Exhibit "P-46", No. 9.b, Docket - Vol. 2, pp. 1087 to 1088.
[108] Exhibit "P-46", No. 9.d, Docket - Vol. 2, pp. 1088 to 1089.
[109] Exhibit "P-46", No. 9.b, Docket - Vol. 2, pp. 1087 to 1088.
[110] ₱776,092,538.96 less ₱758,489,926.43.

enough excess input tax credits from prior years to cover its output tax liability for the current taxable year. To reiterate, in cases filed before this Court, which are litigated *de novo*, party-litigants must prove every minute aspect of their case.[111]

There being no excess input VAT which may be the subject of a claim for refund or tax credit certificate, the instant claim must perforce be denied.

Consequently, petitioner failed to fulfill the *ninth requisite*, *i.e.*, that the input taxes have not been applied against output taxes during and in the succeeding quarters. Accordingly, the instant claim for issuance of TCCs on petitioner's alleged unutilized input VAT must necessarily fail.

The Court reiterates that it is the taxpayer-claimant that has the burden of proof to establish the factual basis of his or her claim for tax credit or refund.[112] Tax refunds are in the nature of tax exemptions. As such, they are regarded as in derogation of sovereign authority and to be construed *strictissimi juris* against the person or entity claiming the refund.[113] Thus, an applicant for a claim for tax refund or tax credit must not only prove entitlement to the claim but also compliance with all the documentary and evidentiary requirements.[114] Strict adherence to the conditions prescribed by law is required of the taxpayer.[115]

In sum, petitioner failed to sufficiently prove its entitlement to the issuance of TCCs in its favor for its unutilized input VAT for the period covering January 1, 2014 to March 31, 2014 or the 4th quarter of FY 2014. Considering petitioner's failure to substantiate that it has sufficient input

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[111] *Supra.*

[112] *Citibank N.A. vs. Court of Appeals and Commissioner of Internal Revenue*, G.R. No. 107434, October 10, 1997.

[113] *Commissioner of Internal Revenue v. S.C. Johnson and Son, Inc., et al.*, G.R. No. 127105, June 25, 1999.

[114] *Eastern Telecommunications Philippines, Inc. vs. Commissioner of Internal Revenue*, G.R. No. 183531, March 25, 2015, *citing J.R.A. Philippines, Inc. vs. CIR*, G.R. No. 171307, August 28, 2013.

[115] *Steag State Power, Inc. (Formerly State Power Development Corporation) vs. Commissioner of Internal Revenue*, G.R. No. 205282, January 14, 2019.

taxes to offset its output taxes due for the period covered, this Court is constrained to deny the present *Petition for Review.*

WHEREFORE, in light of the foregoing considerations, the instant *Petition for Review* is **DENIED** for lack of merit.

SO ORDERED.

CATHERINE T. MANAHAN
Associate Justice

I CONCUR:

ROMAN G. DEL ROSARIO
Presiding 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's Division.

ROMAN G. DEL ROSARIO
Presiding Justice