REPUBLIC OF THE PHILIPPINES
Court of Tax Appeals
QUEZON CITY

EN BANC

COMMISSIONER OF INTERNAL REVENUE,
Petitioner,

- versus -

BOEHRINGER INGELHEIM (PHILIPPINES), INC.,
Respondent.

CTA EB No. 3108
(CTA Case No. 10758)

Present:

RINGPIS-LIBAN, *P.J.*,
BACORRO-VILLENA,
MODESTO-SAN PEDRO,
REYES-FAJARDO,
CUI-DAVID,
FERRER-FLORES, and
ANGELES, *JJ.*

Promulgated:
JUL 28 2026 10:30am

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DECISION

FERRER-FLORES, J.:

The **Petition for Review**[1] filed on April 2, 2025 seeks the reversal of the Decision promulgated on October 22, 2024 (assailed Decision),[2] and the Resolution dated February 25, 2025 (assailed Resolution)[3] in CTA Case No. 10758, whereby the First Division of this Court (Court in Division) partially granted herein respondent's claim for refund, representing erroneously paid value-added tax (VAT) on its importation of prescription drugs and medicines for diabetes, high cholesterol and hypertension, from January 23, 2020 to April 20, 2020, in the amount of **₱89,752,626.80.**

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1 *Rollo*, pp. 9 to 22.
2 *Id. at* 31 to 50. Penned by Associate Lanee S. Cui-David and concurred in by (Ret.) Presiding Justice Roman G. Del Rosario and Associate Justice Jean Marie A. Bacorro-Villena.
3 *Rollo*, pp. 52 to 54.

The dispositive portions of the assailed Decision and the assailed Resolution read as follows:

Assailed Decision:

> **WHEREFORE**, in light of the foregoing considerations, the *Petition for Review* is **PARTIALLY GRANTED**. Accordingly, respondent [herein petitioner] is **ORDERED TO REFUND** to petitioner the amount of **₱89,752,626.80**, representing the erroneously paid value-added tax on its importation of prescription drugs and medicines for diabetes, high cholesterol, and hypertension from January 23, 2020 to April 20, 2020.
>
> **SO ORDERED.**

Assailed Resolution:

> **WHEREFORE**, premises considered, the *Motion for Partial Reconsideration (Re: Decision promulgated on 22 October 2024)* filed by respondent [herein petitioner]Commissioner of Internal Revenue on November 13, 2024, is **DENIED** for lack of merit.
>
> **SO ORDERED.**

PARTIES OF THE CASE

Petitioner is the **Commissioner of the Bureau of Internal Revenue** (BIR), duly appointed to exercise the powers and perform the duties of his office including, inter alia, the power to decide disputed assessments, refunds of internal revenue taxes, fees, other charges, and penalties imposed in relation thereto, or other matters arising under the National Internal Revenue Code (NIRC) of 1997, as amended.[4]

Respondent Boehringer Ingelheim (Philippines), Inc.is a domestic corporation with principal office address at the 23rd floor, BDO Towers (formerly Citibank Tower) Valero Building, 8741 Paseo de Roxas, Bel-Air, Makati City, Philippines.[5]

ANTECEDENTS

The facts as found by and the proceedings before the Court in Division are as follows:[6]

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[4] Parties, *Petition for Review*, *Rollo*, pp. 10 to 11.
[5] Counter-Statement of the Facts, *Comment (on Petition for Review dated April 2, 2025)*, *Id.* at 57.
[6] *Assailed Decision*, *Id.* at 32 to 36. Citations omitted.

From January 17, 2020 to April 20, 2020, petitioner [herein respondent] imported various prescription drugs and medicines for the treatment of diabetes, high cholesterol, and hypertension. These products were subjected to VAT on importation, which petitioner [herein respondent] paid per relevant importation from January 23, 2020 to April 20, 2020.

On January 22, 2020, the President of the Philippines approved Republic Act (RA) No. 11467, which amended certain sections of the National Internal Revenue Code (NIRC) of 1997, as amended. Section 15 of RA No. 11467 states that the law shall "take effect on January 1, 2020, after its complete publication either in the Official Gazette or in a newspaper of general circulation."

Subsequently, on June 8, 2020, respondent [herein petitioner] issued Revenue Memorandum Circular (RMC) No. 62-2020, which published the full text of a letter from the Food and Drug Administration (FDA) of the Department of Health (DOH), listing prescription drugs and medicines exempt from VAT pursuant to RA No. 11467. The RMC also stated that the listed medicines would be exempt from VAT beginning January 27, 2020.

On June 26, 2020, the Secretary of Finance issued Revenue Regulations (RR) No. 18-2020, implementing RA No. 11467.

Thereafter, on October 14, 2020, respondent [herein petitioner] issued RMC No. 113-2020, which amended RMC No. 65-2020, and published the full text of a letter from the Department of Finance (DOF) clarifying the effective date of RA No. 11467. The issuance confirmed that the law took effect on January 23, 2020, instead of January 27, 2020, due to its publication on the Official Gazette website on that date.

On October 15, 2020, respondent [herein petitioner] issued Revenue Memorandum Order (RMO) No. 36-2020, laying down the guidelines and procedures for the refund of erroneously paid VAT on imported prescription drugs pursuant to RR No. 18-2020 and Section 204 (c) of the NIRC of 1997, as amended.

Petitioner's [herein respondent's] total VAT paid on the importation of medicines covered by RA No. 11467, as listed in the DOH-FDA's letter published under RMC No. 62-2020, within the relevant period of the claim, amounted to P89,760,906.71.

Hence, on December 15, 2020, petitioner [herein respondent] filed an administrative claim for a refund with the Large Taxpayer Audit Division (LTAD) 1 of the BIR, requesting a refund of the erroneously paid VAT amounting to P89,760,906.71.

In a letter dated January 7, 2021, the BIR LTAD 1 required petitioner [herein respondent] to submit: (a) wet-ink signed originals of BIR Form No. 1914, and (b) Bureau of Customs (BOC)-authenticated copies of the Single Administrative Document (SAD) and Statement of Settlement of Duties and Taxes (SSDT), which were already attached to the claim for refund. Petitioner [herein respondent] complied on January 20 and 21, 2021.

Thereafter, the BIR's Large Taxpayers Service, through OIC-Assistant Commissioner (OIC-ACIR) Manuel V. Mapoy, issued a letter dated February 8, 2021, denying petitioner's [herein respondent's] administrative claim for a refund. Petitioner [herein respondent] filed a request for reconsideration which was denied through a letter dated June 3, 2021.

Petitioner [herein respondent] then filed a Request for Reconsideration with respondent on July 9, 2021.

Alleging inaction, petitioner [herein respondent] elevated its claim to the Court via the instant *Petition for Review* filed on February 2, 2022.

In his *Answer (Re: Petition for Review dated 31 January 2022)* filed on April 19, 2022, respondent [herein petitioner] argued that the instant *Petition for Review* should be denied, citing petitioner's [herein respondent's] failure to substantiate its claim for refund at the administrative level.

According to respondent [herein petitioner], tax refunds are subject to administrative and routine investigation and are not ipso facto granted. The BIR still had to investigate and ascertain the validity of the claim. The BIR must investigate and verify the validity of the claim. Moreover, the taxpayer-claimant bears the heavy burden of proving compliance with all statutory and administrative requirements to be entitled to a tax refund.

Allegedly, petitioner [herein respondent] failed to demonstrate its entitlement to refund the alleged erroneously paid VAT on its importation of prescription drugs and medicines, in the amount of P89,760,906.71, at the administrative level. Since a decision had been rendered at the administrative level, petitioner [herein respondent] could not submit documents not previously submitted. Moreover, the Court is confined to reviewing whether the denial was proper, given the evidence submitted during the administrative proceedings.

On June 16, 2022, respondent [herein petitioner] transmitted to this Court the *BIR Records* of the case, consisting of 153 pages in one folder.

After the *Pre-Trial Conference* on September 12, 2022, the parties submitted a *Joint Stipulation of Facts and Issues* on October 12, 2022, which served as the basis for the Pre-Trial Order issued on November 7, 2022.

The trial then ensued, during which petitioner [herein respondent] presented its witnesses, including: (1) Mr. Ermel N. Teodoro, petitioner's Head of Finance and Administration; (2) Ms. Mylene P. Salindong-Vicmudo, petitioner's Central Accounting Manager; (3) Mr. Marlon L. Sesante, petitioner's Commercial Supply Chain Lead; and (4) Mr. Ericson D. Tadeja, the Court-commissioned independent certified public accountant (ICPA).

On April 14, 2023, petitioner [herein respondent] filed its *Offer of Documentary of Evidence*, to which respondent [herein petitioner] filed his *Comment (Re: Offer of Documentary Evidence dated 14 April 2023)* on April 19, 2023.

> In a Resolution dated May 5, 2023, the Court admitted petitioner's [herein respondent's] offered exhibits, *except* Exhibits "P-16-139" and "P-16-195", for not being found in the records of the case; and Exhibit "P-17," for failure to submit the duly marked exhibit.
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> On May 18, 2023, petitioner [herein respondent] filed a *Motion for Partial Reconsideration*, praying the Court to partially reconsider its Resolution dated May 5, 2023, and to admit into evidence petitioner's [herein respondent's] Exhibits "P-17", "P-16-139", "P-35", "P-1-ICPA", "P-2-ICPA", "P-3-ICPA", "P-4-ICPA", "P-5-ICPA", "P-6-A-ICPA", "P-6-B-ICPA", "P-7-ICPA series", Annex "A.1-ICPA" and "P-36". Respondent [herein petitioner] filed a *Comment (Re: Petitioner's Motion for Partial Reconsideration dated 18 May 2023)* on June 5, 2023.
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> In the Resolution promulgated on July 6, 2023, the Court admitted Exhibits "P-16-139" and "P-17", except Exhibits "P-1-ICPA", "P-2-ICPA", "P-3-ICPA", "P-4-ICPA", "P-5-ICPA", "P-6-A-ICPA", "P-6-B-ICPA", "P-7-ICPA series" and Annex "A.1-ICPA", for not being properly offered.
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> For his part, respondent [herein petitioner] offered the testimony of Revenue Officer (RO) Ellen TS. Espiritu.
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> After presenting his lone witness, respondent [herein petitioner] filed *a Formal Offer of Evidence* on August 9, 2023, to which petitioner [herein respondent] filed a *Comment/Opposition (re: respondent's Formal Offer of Evidence dated August 9, 2023)* on August 22, 2023.
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> On September 13, 2023, the Court issued a Resolution admitting all of respondent's [herein petitioner's] offered exhibits. In the same Resolution, the parties were given thirty (30) days from notice to file their respective memoranda.
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> With the filing of petitioner's [herein respondent's] *Memorandum* on October 18, 2023 and respondent's [herein petitioner's] *Manifestation* on October 23, 2023, adopting his arguments in his *Answer* dated April 19, 2022 as his *Memorandum*, the instant case was submitted for decision on November 9, 2023.

On October 22, 2024, the Court in Division rendered the assailed Decision, which was received by petitioner on October 31, 2024.[7]

Petitioner then filed, on November 13, 2024, a *Motion for Reconsideration (Re: Decision promulgated on 22 October 2024)*,[8] which was opposed by respondent[9] and denied by the Court in the assailed Resolution received by petitioner on March 4, 2025.[10]

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[7] *Rollo*, p. 30.
[8] Division Docket - Vol. III, pp. 1211 to 1217.
[9] *Id.* at 1221 to 1230.
[10] *Rollo*, p. 51.

PROCEEDINGS BEFORE THE COURT *EN BANC*

On March 17, 2025, petitioner filed a *Motion for Extension to File Petition for Review* praying for an extension of 15 days from receipt of the *assailed Resolution*, or until April 3, 2025, within which to file the Petition for Review.[11] The same was granted by the Court on March 18, 2025.[12]

The instant *Petition for Review* was filed on April 2, 2025.[13]

Respondent filed its *Comment (on Petition for Review dated April 2, 2025)* on May 30, 2025.[14] On July 8, 2025, the instant case was submitted for decision.[15]

ISSUES

Petitioner raised this sole assignment of error in his *Petition for Review*:[16]

> The First Division of this Honorable Court in Division erred in ruling that respondent is partially entitled to the refund sought.

PETITIONER'S ARGUMENTS

Petitioner argues that the Court in Division erred in ruling that respondent is partially entitled to the refund sought as it failed to substantiate its claim for refund in the administrative level. Petitioner submits that, since a decision has been rendered denying respondent's administrative claim for refund for failure to substantiate the same, the latter cannot submit documents which were not submitted at the administrative level, to the Court for judicial review. Petitioner emphasizes that the Court in Division is confined to a more limited issue of whether the denial was proper given the evidence submitted at the administrative level.

Petitioner claims that, based on his Memorandum Report dated February 8, 2021, it was found that the amount of input tax on the imported items have been reported and claimed as input tax credit in its Quarterly VAT Returns. Petitioner claims that respondent has the burden of proof to refute

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11 *Id.* at 1 to 3.
12 *Id.* at 8.
13 *Id.* at 9 to 25.
14 *Rollo*, pp. 57 to 75.
15 *Id.* at 81.
16 *Id.* at 15.

the findings observed in the administrative evaluation of supporting documents. Petitioner insists that respondent must prove that it submitted valid and acceptable supporting documents to substantiate its administrative claim for refund.

RESPONDENT'S ARGUMENTS

Respondent, on the other hand, counters that it proved its claim for refund in both administrative and judicial level, with the same documentary evidence submitted to the BIR. Respondent posits that Revenue Memorandum Circular (RMC) No. 99-2021 finds no application in the instant case. Respondent highlights that it filed its claim for refund on December 15, 2020; whereas, RMC No. 99-2021 was issued on August 16, 2021. Thus, at the time it filed its claim for refund, there were no set guidelines on how to reflect the said importation in the returns. Respondent alleges that, despite the absence of clear guidelines, it exerted best efforts during the administrative proceedings to substantiate the fact that it had not reported nor previously claimed the amount sought to be refunded as input tax credit.

Petitioner asserts that, in compliance with the advice of the BIR during their discussions, it amended its Quarterly VAT Returns and submitted an affidavit to attest to the fact that the subject claim for refund had not been reported nor previously claimed as input tax credit. Respondent questions the failure of petitioner to state in his denial letter which documents were lacking, nor did it explain why the documents submitted were still deemed insufficient despite its compliance with all of the BIR's requests for additional documents.

Finally, respondent puts forth that the Court in Division astutely resolved the instant claim for refund and confirmed that it never claimed as input tax credit the amount sought to be refunded contrary to petitioner's claims. According to respondent, its witnesses explained that, in presenting the input taxes in the relevant VAT Return and declarations, respondent: (1) reported total input taxes arising from importation of goods other than capital goods for the period January to April 2020 in the aggregate amount of ₱171,872,840.82; and, (2) excluded from the amount of allowable or creditable input tax the total amount of ₱152,657,914.82 that, if broken down, includes the amounts corresponding to input taxes attributable and allocable to exempt sales totaling ₱62,897,008.11, and input taxes attributable to exempt importations totaling ₱89,760,906.71, the latter being the amount subject of its claim for refund.

RULING OF THE COURT *EN BANC*

The instant *Petition for Review* is denied.

Timeliness of the Petition for Review

Records show that petitioner received the assailed Resolution on March 6, 2025.[17] Counting 15 days therefrom, petitioner had until March 21, 2025 within which to file its Petition for Review before the Court *En Banc*. On March 17, 2025, petitioner filed a *Motion for Extension to File Petition for Review*[18] requesting for an additional period of 15 days within which to file its *Petition for Review.* The Court granted the said *Motion for Extension* in a Minute Resolution dated March 18, 2025.[19] On April 2, 2025, petitioner timely filed its *Petition for Review.*

BIR Legal Officer's lack of authority to institute the instant Petition

A perusal of the instant *Petition for Review* and the corresponding annexes reveals that no written authorization from the Office of the Solicitor General (OSG) to the special counsels from the BIR was attached thereto.

Section 10 of Rule 9 of the Revised Rules of the Court of Tax Appeals (RRCTA) provides that the OSG shall represent the People of the Philippines and government officials sued in their official capacity in all cases brought to the CTA in the exercise of its appellate jurisdiction.[20] While the OSG may deputize the legal officers of the BIR in cases brought under the NIRC of 1997, as amended, or other laws enforced by the BIR, to appear in behalf of the officials of said agencies sued in their official capacity, such duly deputized legal officers shall, however, remain at all times under the direct control and supervision of the Solicitor General.

This accords with Section 35(1), Chapter 12 of the Administrative Code of 1987, which provides for the OSG's powers and functions as the law office of the Government, viz.:

> SECTION 35. *Powers and Functions.* — **The Office of the Solicitor General shall represent the Government of the Philippines,**

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[17] Division Docket – Vol. III p. 1237.

[18] *Rollo*, pp. 1 to 3.

[19] *Rollo*, p. 8.

[20] **SECTION 10.** *Solicitor General as Counsel for the People and Government Officials Sued in their Official Capacity.* — The Solicitor General shall represent the People of the Philippines and government officials sued in their official capacity in all cases brought to the Court in the exercise of its appellate jurisdiction. He may deputize the legal officers of the Bureau of Internal Revenue in cases brought under the National Internal Revenue Code or other laws enforced by the Bureau of Internal Revenue, or the legal officers of the Bureau of Customs in cases brought under the Tariff and Customs Code of the Philippines or other laws enforced by the Bureau of Customs, to appear in behalf of the officials of said agencies sued in their official capacity: Provided, however, such duly deputized legal officers shall remain at all times under the direct control and supervision of the Solicitor General.

> **its agencies and instrumentalities and its officials and agents in any litigation, proceeding, investigation or matter requiring the services of a lawyer.** When authorized by the President or head of the office concerned, it shall also represent government-owned or controlled corporations. The Office of the Solicitor General shall constitute the law office of the Government and, as such, shall discharge duties requiring the services of a lawyer. It shall have the following specific powers and functions:
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> (1) Represent the Government in the Supreme Court and the Court of Appeals in all criminal proceedings; **represent the Government and its officers in the Supreme Court, the Court of Appeals, and all other courts or tribunals in all civil actions and special proceedings in which the Government or any officer thereof in his official capacity is a party.** (Emphasis ours)

In *National Power Corporation vs. National Labor Relations Commissions, et. al.*,[21] the Supreme Court held that the OSG is the principal law officer and legal defender of the Government, viz:

> Pursuant to Section 35, Chapter 12, Title III, Book IV of the Administrative Code of 1987, the **Office of the Solicitor General represents the government of the Philippines, its agencies and instrumentalities and is the "principal law officer and legal defender of the Government.**" The OSG possesses the unequivocal mandate to appear for the Government in legal proceedings. When authorized by the President or head of the office concerned, it shall also represent government-owned or controlled corporations. Under number 8 of the same section, the OSG is empowered to "deputize legal officers of government departments, bureaus, agencies and offices to assist the Solicitor General and appear or represent the Government in cases involving their respective offices, brought before the courts and exercise supervision and control over such legal officers with respect to such cases."
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> The fact that the OSG is petitioner's counsel is unchallenged, the former having entered its appearance on September 15, 1986. The lawyer deputized and designated as "special attorney-OSG" is a mere representative of the OSG and the latter retains supervision and control over the deputized lawyer. **The OSG continues to be the principal counsel for the National Power Corporation, and as such, the Solicitor General is the party entitled to be furnished copies of orders, notices and decisions.** The deputized special attorney has no legal authority to decide whether or not an appeal should be made. (Emphasis ours)

Moreover, in the case of *Republic of the Philippines, represented by the Land Registration Authority vs. Raymundo Viaje, et. al.* (Viaje case),[22] it was established that the OSG remains to exercise supervision and control over the deputized lawyers and is entitled to be furnished copies of all court orders, notices and decisions, to wit:

[21] G.R. Nos. 90933-61, May 29, 1997.
[22] G.R. No. 180993, January 27, 2016.

> The power of the OSG to deputize legal officers of government departments, bureaus, agencies and offices to assist it in representing the government is well settled. The Administrative Code of 1987 explicitly states that the OSG shall have the power to "deputize legal officers of government departments, bureaus, agencies and offices to assist the Solicitor General and appear or represent the Government in cases involving their respective offices, brought before the courts **and exercise supervision and control over such legal officers with respect to such cases.**" But it is likewise settled that the **OSG's deputized counsel is "no more than the 'surrogate' of the Solicitor General in any particular proceeding" and the latter remains the principal counsel entitled to be furnished copies of all court orders, notices, and decisions**. xxx (Emphasis ours)

Indubitably, BIR counsels must be duly deputized by the OSG as the principal counsel of the government.

In the instant case, petitioner failed to attach to the *Petition for Review* any deputization or authority from the principal legal counsel. Clearly, the filing of the instant *Petition* is unwarranted. As such, the instant case should be dismissed.

Procedural infirmity aside, the instant *Petition for Review* must still be denied for lack of merit.

Inapplicability of the Pilipinas Total Gas case

In its bid to reverse and set aside the assailed Decision and Resolution, petitioner contends that the Court in Division should have determined only whether the findings of petitioner on respondent's claim for refund are consistent with law and should have confined judicial review to the same documents submitted in the administrative level. Petitioner cited the case of *Pilipinas Total Gas vs. Commissioner of Internal Revenue* (Pilipinas Total Gas),[23] imploring that the Supreme Court already held that judicial review is not a *trial de novo* in the sense that a totally new first instance trial is conducted; rather, it is an inquiry into whether the findings of the administrative bodies are consistent with law. For petitioner, respondent cannot submit documents that were not submitted in the administrative level and the Court should limit the resolution of the case to the issue of whether the denial was proper given the evidence submitted at the administrative level.

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[23] G.R. No. 207112, December 8, 2016.

Respondent, on the other hand, maintains that the evidence offered to this Court are the very same documents it submitted to the BIR during the pendency of the administrative claim for refund.

The Court *En Banc* finds petitioner's arguments devoid of merit.

At the outset, the Court notes that the instant *Petition for Review* simply reproduces verbatim the arguments on this matter earlier raised as special affirmative defenses in petitioner's *Answer*. Notably, respondent had yet to present any evidence at the time petitioner raised this specific contention. Despite this unaltered repetition of the argument in the present *Petition for Review* before the Court *En Banc*, petitioner still fails to identify the specific documents allegedly not presented before the BIR during the pendency of the administrative claim for refund.

Moreover, it bears stressing that the case of *Pilipinas Total Gas* is not, on all fours, applicable to the instant case.

The instant case is a claim for refund of erroneous payment of VAT for the importation of prescription drugs and medicines for diabetes, high cholesterol, and hypertension from January 23, 2020 to April 20, 2020. On the other hand, *Pilipinas Total Gas* case refers to a refund or tax credit of creditable input tax. Clearly, the instant case and the *Pilipinas Total Gas* case are governed by different provisions of the NIRC of 1997, as amended. The instant case is governed by Sections 204 and 229 of the NIRC of 1997, as amended; whereas, *Pilipinas Total Gas* case is governed by Section 112 of the same code.

Petitioner's reliance on *Pilipinas Total Gas* case is undoubtedly misplaced. The factual and legal circumstances obtaining in that case are materially different from those involved in the present controversy.

The Court *En Banc* further notes that petitioner failed to identify any specific document purportedly offered before the Court in Division that was not previously submitted to the BIR during the administrative proceedings. Absent such showing, petitioner's assertion that respondent improperly introduced new evidence on judicial appeal remains unsubstantiated and controverted. Consequently, petitioner has not demonstrated any reversible error on the part of the Court in Division in admitting and evaluating respondent's evidence.

Accordingly, petitioner's invocation of *Pilipinas Total Gas* fails to support the reversal of the assailed Decision and Resolution. The Court finds no cogent reason to depart from the findings and conclusions reached by the Court in Division.

Reported but unclaimed input tax credit

Petitioner claims that respondent has not proven its entitlement to the refund sought as the amount of input tax on the imported items have been reported and claimed as input tax credit. Considering that respondent has the burden of proof in refund cases, petitioner asserts that it must prove that it has submitted valid and acceptable supporting documents to substantiate its administrative claim for refund.

On the contrary, respondent explains that it has sufficiently proven that its refund claim had not been reported and previously claimed as input tax credit. It maintains that when the claim for refund was filed on December 15, 2020, and even at the time it filed its amended quarterly VAT returns and monthly VAT declarations on August 2, 2021, there were no set guidelines on how to reflect said importation in the returns as RMC No. 99-2021, which provides such guidelines, was only issued on August 16, 2021.

Respondent posits that the Court in Division correctly held that the requirement to reflect the importation as part of the "Purchases not Qualified for Input Tax" row in the quarterly VAT return and monthly VAT declaration did not exist at the time respondent filed its refund claim; thus, the rule did not and should not apply to its claim. Nevertheless, respondent contends that it exerted best effort to substantiate during the administrative proceedings that it did not report nor previously claimed the amount sought to be refunded as input tax credit. According to respondent, it was advised by the BIR that, instead of presenting the amounts claimed for refund in lump sums in Item 23C of the quarterly VAT returns and Item 20C of the monthly VAT declaration, it should have presented the same separately under Item 23D and 20D of the quarterly VAT return and monthly VAT declaration, respectively. This led to the filing of respondent's amended quarterly VAT return and monthly VAT declaration on August 2, 2021.

Respondent likewise alleges that it was advised to submit an affidavit attesting to the fact that the subject claim for refund, which had not been reported now, was previously claimed as input tax credits. Respondent reiterates that the denial letter dated June 3, 2021 stated "although, in items 20C and 23C of the said Monthly and Quarterly VAT Returns, respectively, there are input taxes attributable to exempt sales that were not utilized in the computation of the total VAT payable, [respondent] failed to prove that the amount requested to be refunded was included in that Item…". Respondent submits that the letter of denial failed to state which documents were lacking, nor did it explain why the documents it already submitted were still deemed insufficient despite respondent's compliance with all of BIR's requests for additional documents.

Respondent also points out the testimony of its witness relative to the reporting of its input taxes in the relevant VAT returns for January to April 2020. According to its witness, respondent declared total input taxes from the importation of goods other than capital goods amounting to ₱171,872,840.82, and excluded ₱152,657,914.82 from allowable or creditable input tax. This excluded amount consisted of: (i) ₱62,897,008.11 in input taxes attributable to exempt sales, and (ii) ₱89,760,906.71 in input taxes attributable to exempt importations, which is the subject of the refund claim.

We agree with respondent.

Again, it is apparent that the foregoing arguments of petitioner on this matter are mere verbatim reiterations of those raised in his *Motion for Reconsideration* before the Court in Division and were already squarely considered, resolved, and passed upon in the assailed Resolution. Petitioner has not advanced any new matter or persuasive reason that would warrant a departure from the Court in Division's findings and conclusions.

Petitioner's insistence that respondent failed to prove that the amount subject of refund was not previously reported and claimed as input tax credit deserves scant consideration. A careful review of the records reveals that the Court in Division properly scrutinized the evidence and correctly concluded that respondent was able to substantiate its claim.

In finding that the input tax on imported items has not been claimed as input tax credit in the monthly and/or quarterly VAT returns, the Court in Division examined and evaluated the documentary and testimonial evidence presented by respondent and found the same sufficient to establish compliance with the requirements for refund. In the assailed Decision, the Court in Division held that, while the claimed amount of ₱89,760,906.71 was included in the input VAT for "Importation of Goods Other Than Capital Goods", it remained unutilized in the computation of the VAT payable, because it was also deducted as "VAT Refund/TCC claimed in that same VAT return and delcaration, in the amounts of ₱66,244,083.71 and ₱23,516,823.00, respectively. The Court in Division found that this claim no longer formed part of the excess input VAT of ₱6,434,932.90 as of April 30, 2020, which was to be carried over to the succeeding months/quarters. Thus, the Court in Division aptly ruled that respondent must be deemed to have satisfied the wisdom behind the requirement of RMC No. 99-2021, which aims to "ensure that the imported items have not been reported and claimed as input tax credit in the monthly and quarterly VAT returns pursuant to Section 110 of the Tax Code of 1997, as amended, for purposes of computing the VAT payable."

Significantly, petitioner has failed to demonstrate that such findings were unsupported by the evidence on record or that the Court in Division committed any error in its appreciation thereof.

More importantly, the Court in Division correctly rejected petitioner's position that respondent's claim should fail for its alleged noncompliance with reporting requirements that were not yet in effect at the time the claim was filed.

Since petitioner has not shown any misapprehension of facts, misapplication of law, or other reversible error that would justify the reversal or modification of the assailed Decision and Resolution, We sustain the findings of the Court in Division and hold that respondent is entitled to the partial refund of the erroneously paid VAT on its importation of prescription drugs and medicines for diabetes, high cholesterol, and hypertension during the period January 23, 2020 to April 20, 2020. The assailed Decision and Resolution must therefore be upheld.

ACCORDINGLY, the instant **Petition for Review** is **DENIED** for lack of merit. The Decision dated October 22, 2024 and the Resolution dated February 25, 2025 rendered in CTA Case No. 10758 are hereby **AFFIRMED**.

SO ORDERED.

CORAZON G. FERRER-FLORES
Associate Justice

WE CONCUR:

MA. BELEN M. RINGPIS-LIBAN
Presiding Justice

JEAN MARIE A. BACORRO-VILLENA
Associate Justice

MARIA ROWENA MODESTO-SAN PEDRO
Associate Justice

MARIAN IVY F. REYES-FAJARDO
Associate Justice

LANEE S. CUI-DAVID
Associate Justice

HENRY S. ANGELES
Associate Justice

CERTIFICATION

Pursuant to Article VIII, Section 13 of the Constitution, it is hereby certified that the conclusions in the above Decision were reached in consultation before the case was assigned to the writer of the opinion of the Court.

MA. BELEN M. RINGPIS-LIBAN
Presiding Justice