REPUBLIC OF THE PHILIPPINES
Court of Tax Appeals
QUEZON CITY

Third Division

SUMISETSU PHILIPPINES, INC., Petitioner,	**CTA CASE NO. 8374**
	Members:
- *versus* -	**BAUTISTA, FABON-VICTORINO,** and **RINGPIS-LIBAN,** *JJ.*
COMMISSIONER OF INTERNAL REVENUE, Respondent.	**Promulgated:** SEP 22 2014 3:15 p.m.

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DECISION

BAUTISTA, J.:

The Petition for Review, filed pursuant to Section 7(a)(2) of Republic Act ("RA") No. 1125,[1] as amended by RA No. 9282,[2] and RA No. 9503,[3] seeks the refund or issuance of a tax credit certificate for the amount of Sixteen Million Fifty Three Thousand One Hundred Two Pesos and 32/100 (Php16,053,102.32), representing creditable input Value-Added Tax ("VAT") paid and attributable/allocated to its effectively zero-rated sales for the four quarters of taxable year 2009.[4]

THE PARTIES

Petitioner Sumisetsu Philippines, Inc. ("Sumisetsu"), is a corporation duly organized under Philippine Laws, with principal

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[1] "An Act Creating the Court of Tax Appeals, as amended by Republic Act No. 9282 and Republic Act No. 9503."
[2] "An Act Expanding the Jurisdiction of the Court of Tax Appeals (CTA), Elevating Its Rank to the Level of a Collegiate Court with Special Jurisdiction and Enlarging its Membership Amending for the Purpose Certain Sections of Republic Act No. 1125, as amended Otherwise Known as the Law Creating The Court of Tax Appeals and for Other Purposes," April 23, 2004
[3] "An Act Enlarging the Organizational Structure of the Court of Tax Appeals, Amending for the Purpose Certain Sections of the Law Creating the Court of Tax Appeals, Amending for the Purpose Certain Sections of the Law Creating the Court of Tax Appeals, and for Other Purposes," July 5, 2008.
[4] *Records*, pp. 1-47, with Annexes "A" to "H."

office at the 8th Floor of GC Corporate Plaza, 150 Legaspi Street, Legaspi Village, Makati City.[5] It is registered with [the] Bureau of Internal Revenue ("BIR") for VAT purposes, with Certificate Registration No. 8RC0000019593.[6]

Respondent Commissioner of Internal Revenue is the head of the BIR, holding office at the BIR National Office, Diliman, Quezon City.[7]

FACTS OF THE CASE

In the course of its business, as contractor for electrical and mechanical services, Sumisetsu alleges that it purchased various materials and paid for the applicable Input VAT.[8]

Sumisetsu alleges that it entered into numerous contracts which included, among others, the contract to provide (as it did actually provide) electrical and mechanical services to a range of clients, majority of whom were PEZA-registered enterprises and non-resident foreign entities, sometime in the taxable year 2009.

On February 16, 2011, Sumisetsu filed a claim for refund or request for issuance of tax credit certificate in the amount of Sixteen Million Fifty Three Thousand One Hundred Two and 32/100 Pesos (Php16,053,102.32) with the BIR, representing its unutilized input VAT for the four taxable quarters of 2009.[9]

On June 13, 2011, Sumisetsu received a Letter of Authority ("LOA") dated 19 May 2011 from the BIR requesting for submission of certain documents.[10]

On July 17, 2011, Sumisetsu submitted to the BIR the documents listed in the Letter of Authority.[11]

As of October 15, 2011, Sumisetsu alleges that respondent has not acted on its claim for refund or request for issuance of tax credit certificate.[12]

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[5] *Id.*, Joint Stipulation of Facts and Issues ("JSFI"), p. 99.
[6] *Id.*
[7] *Id.*, p. 100.
[8] *Id.*, p. 84.
[9] *Id.*, Petition for Review, p. 7.
[10] *Id.*, p. 8.
[11] *Id.*

Hence, petitioner filed this Petition for Review on November 10, 2011.[13]

On December 6, 2011, respondent filed her Answer,[14] interposing the following Special and Affirmative Defenses:

> "Petitioner's alleged claim for refund is subject to administrative routinary investigation/examination by the Bureau.
>
> The amount of Php16,053,102.32 allegedly representing its unutilized input VAT for the year 2009 was not properly documented.
>
> 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.
>
> Petitioner must show that it has complied with the provisions of Section 112 of the NIRC of 1997 on the prescriptive period for claiming tax refund/credit.
>
> There is no record of petitioner ever submitting complete documents to substantiate its administrative claim for refund. Such is a requirement, otherwise the administrative body will have sufficient reason to deny the claim. As held by the Honorable Supreme Court in the *Atlas Consolidated Mining and Development Corporation vs. Commissioner of Internal Revenue, G.R. No. 145526, 16 March 2007*:
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>> 'Petitioner's contention that non-compliance with Revenue Regulations 3-88 could not have adversely affected its case in the CTA indicates a failure on its part to appreciate the nature of the proceedings in that court. First, a judicial claim for refund or tax credit in the CTA is by no means an original action but rather an appeal by way of petition for review of

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[12] *Id.*, p. 8.
[13] *Id.*, pp. 6-20.
[14] *Id.*, pp. 50-63.

a previous, unsuccessful administrative claim. **<u>Therefore, as in every appeal or petition for review, a petitioner has to convince the appellate court that the quasi-judicial agency a quo did not have any reason to deny its claims. In this case, it was necessary for petitioner to show the CTA not only that it was entitled under substantive law to the grant of its claims but also that it satisfied all the documentary and evidentiary requirements for an administrative claim for refund or tax credit</u>**. Second, cases filed in the CTA are litigated de novo. Thus, a petitioner should prove every minute aspect of its case by presenting, formally offering and submitting its evidence to the CTA. **<u>Since it is crucial for a petitioner in a judicial claim for refund or tax credit to show that its administrative claim should have been granted in the first place, part of the evidence to be submitted to the CTA must necessarily include whatever is required for the successful prosecution of an administrative claim</u>**.' (emphasis and underscoring supplied)

The implementing rule for these complete documents required by law is RMO No. 53-98. Annex B-1 of said RMO lists all the required documents as follows:

VALUE-ADDED TAX
(For audit involving Claim for Refund/TCC)

A.) Requirements from Taxpayer

I. Requirements mention in Annex B

II. Additional General Requirements

1) 3 copies of "Application for VAT Credit/Refund

2) Summary List of Local Purchases specifying the following:

xxx xxx xxx

3) Photocopies of VAT purchase invoices for purchase of goods and official receipts for purchase of services. (The invoices/official receipts must be arranged according to the summary list)

4) Summary of importations made during the period with the following details:

xxx xxx xxx

5) Photocopies of invoices, import entry documents, official receipts or confirmation receipts evidencing payment of VAT. (Segregate documents paid by cash from those paid by tax debit memo)

6) VAT Returns filed for the quarter showing that the amount applied for refund/TCC has been reflected as a deduction from the total available input tax, as well as VAT Return for the succeeding quarter.

7) Certification of taxpayer showing the amount of Zero-rated Sales, Taxable Sales and Exempt Sales

8) A statement showing the amount and description of the sale of goods and services, name of persons or entities (except in case of exports) to whom the goods or services were sold and date of the transaction, where the applicant's zero-rated transactions are regulated by certain government agency.

9) Articles of Incorporation - for first time filers

10) Sales Contract/Agreement

11) BOI Certificate of Registration

12) BIR Certificate of Registration

13) Certification from BOI, DOF, BOC, EPZA, etc., that subject taxpayer has not filed similar claim for refund covering the same period.

14) Sworn statement that ending inventory as of the close of the period covered by the Claim has been used directly or indirectly in the products subsequently exported as supported by export documents, if the applicant is 100% exporter.

15) Documents of liquidation evidencing the actual utilization of the raw materials in the manufacture of goods at least 70% of which has been actually exported, if the applicant is an indirect exporter.

16) Copy of the ITR and Certified Financial Statements, if applicable.

17) Beginning and ending inventory of raw materials, work-in-process, finished goods, supplies and materials.

Additional Specific Requirements

1) For Zero-rated Sales of Services (contractors, mining, etc.)

a. Authenticated copy/ies of the contract/s showing the person/s for whom the services were rendered, amount of consideration, description of the services and documents evidencing actual payments.

b. Photocopies of official receipts and billings together with a summary of the date of billing, name of principal, official receipt number, date of receipt, amount in foreign currency and the corresponding value thereof, date of remittance, name of bank, bank credit memo number and amount of remitted in pesos.

c. Bank credit memoranda and certificate from the BSP with information similar to 1-c (export sales)

As stated above, the first documentary requirement is that provided in Annex B of the same RMO. Annex B provides for more requirements as follows:

VALUE-ADDED TAX

A) Requirements from Taxpayers

1) Proof of claimed tax credits

2) Proof of Tax Compliance Certificates applied

3) Xerox copy of used Tax Credit Certificate (TCC) with annotation of issued TDM at the back, if applicable

4) Proof of payment of deficiency tax, if any
   a. current year/period
   b. previous year/period

5) Certification of the appropriate government agency as to taxpayer's entitlement to tax incentives. If applicable

6) Xerox copies of the Official Receipts evidencing VAT payment on imported purchases, if applicable

7) Proof of exemption under special law, if applicable

8) Certification of the appropriate regulatory agency as to the exempt or zero-rated sales of the taxpayer under its regulatory supervision, if applicable

9) Certificate of Registration issued by the appropriate regulatory agency, together with the conditions attached to such registration, if applicable

10) Proof of 'Approval for Effective Zero-Rating of Sales,' if applicable

11) Sample invoice/s for 'Export/Exempt Sales,' if applicable

12) Proof that the acceptable foreign currency exchange proceeds on export sales/foreign currency denominated sales had been duly accounted for in accordance with the rules and regulations of the Bangko Sentral ng Pilipinas (BSP), if applicable

Far from complying with the checklist of requirements, petitioner merely alleged in the petition for review that it submitted complete documents in support of its administrative claim for refund but it merely submitted six (6) sets of documents as indicated in its letter dated 15 February 2011. This is not a claim for erroneously or illegally collected taxes where petitioner has the discretion of choosing the evidence it deems fit to prove its case. This is a claim for excess but legally collected, unutilized input taxes. It does not have to prove its case, it merely has to substantiate the excess amount. Hence, petitioner's failure to comply with the duly mandated legal requirements in such claims for refund/tax credit warranted the denial by inaction of the administrative claim.

The instant case involves a claim for refund or tax credit of alleged unutilized and/or unapplied input Value-Added Tax (VAT) hence, Section 112 (D) of the NIRC of 1997 should apply as regards the prescriptive period for filing a claim for refund.

Since petitioner did not submit complete documents in support of its administrative claim for refund as indicated under Section 112 (D) of the NIRC of 1997, the 120-day period started to run on 16 February 2011, the date when it filed its administrative claim for refund. The said period expired on 16 June 2011. Hence, petitioner had only until 16 July within which to file the petition for review before the Honorable Court. This being so, the Honorable Court has no jurisdiction to act on the instant amended petition for review which was belatedly filed on 10 November 2011.

First, distinctions should be made in the application of Sections 112(D) and 229 of the NIRC of 1997. Section 112(D) specifically refers to refunds or tax credits of 'creditable input tax due or paid attributable to such sales, except transitional input tax, to the extent that said input tax has not been applied against output tax,' while Section 229 of the same Code refers to 'any national internal revenue taxes alleged to have been erroneously or illegally assessed or collected.'

Section 112(D) provides for a specific period within which the claim for refund or tax credit of input VAT shall be made. It is clearly provided in said Section that in case of failure on the part of the Commissioner to act on the application, the claimant only has thirty (30) days from the expiry of the 120-day period within which to file the petition for review before the Honorable Court. There is no such specific period provided under Section 229 which merely provides for two (2) years from the date of payment of any national internal revenue tax.

Clearly, from the foregoing, Section 112(D) is specific as to the prescriptive period for claiming refunds of excess or unutilized VAT attributable to zero-rated or effectively zero-rated sales.

In the case at bar, petitioner seeks for a refund of its unutilized excess input tax. Hence, petitioner can appeal to this Honorable Court only after the expiration of the 120-day period granted by law or within thirty days from the decision of respondent denying its claim for refund.

As held in **Commissioner of Customs vs. Court of Tax Appeals, G.R. No. L-41861, 23 March 1987**:

> 'A special and specific provision prevails over a general provision irrespective of their relative position in the statute. Generalia specialibus non derogant. Where there is in the same statue a particular enactment and also a general one which in its most comprehensive sense would include what is embraced in the former, the particular enactment must be operative and the general enactment must be taken to affect only such cases within its general language as are not within the provisions of the particular enactment. It is a principle in statutory construction that where two statutes are of equal theoretical application to a particular case, the one specially designed for said case must prevail over the other.'
>
> The above-mentioned periods are clearly given for strict compliance as a prerequisite before seeking redress in a competent court. Such statutory periods are set to prevent delays as well as enhance the orderly and speedy discharge of judicial functions ***(Agpalo Statuory Construction, Third Edition 1995, p. 266)***. For this reason, the courts construe these provisions of statutes as mandatory ***(Ibid., citing Alvero vs. De la Rosa, 76 Phil. 428, 434).***

In the case of *Commissioner of Internal Revenue vs. Aichi Forging Company of Asia, Inc., G.R. No. 184823, 6 October 2010,* the Supreme Court already ruled, to wit:

> 'However, notwithstanding the timely filing of the administrative claim, we are constrained to deny respondent's claim for tax refund/credit for having been filed in violation of Section 112(D) of the NIRC, which provides that:
>
> > SEC. 112. Refunds or Tax Credits of Input Tax. –
> >
> > (D) Period within which Refund or Tax Credit of Input Taxes shall be Made. – In proper cases, the Commissioner 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 Subsections (A) and (B) hereof.**
> >
> > 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 one hundred twenty day-period, appeal the decision or the unacted claim with the Court of Tax Appeals.**' (Emphasis supplied)

Section 112(D) of the NIRC clearly provides that the CIR has '120 days from the date of the submission of the complete documents in support of the application [for tax refund/credit],' within which to grant or deny the claim. In case of full or partial denial by the CIR, the taxpayer's recourse is to file an appeal before the CTA within 30 days from receipt of the decision of the CIR. However, if after the 120-day period the CIR fails to act on the application for tax refund/credit, the remedy of the taxpayer is to appeal the inaction of the CIR to CTA within 30 days.

In this case, the administrative and the judicial claims were simultaneously filed on September 30, 2004. Obviously, respondent did not wait for the decision of the CIR or the lapse of the 120-day period. For this reason, we find the filing of the judicial claim with the CTA premature.

Respondent's assertion that the non-observance of the 120-day period is not fatal to the filing of a judicial claim as long as both the administrative and judicial claims are filed within the two-year prescriptive period has no legal basis.

There is nothing in Section 112 of the NIRC to support respondent's view. Subsection (A) of the said provision states that 'any VAT-registered person, whose sales are zero-rated or effectively zero-rated may, **within two 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.' The phrase 'within two (2) years xxx apply for the issuance of a tax credit certificate or refund' refers to applications for refund/credit filed with the CIR and not to appeals made to the CTA. This is apparent in the first paragraph of subsection (D) of the same provision, which states that the CIR has '120 days from the submission of complete documents in support of the **application** filed in accordance with **Subsections** (A) and (B)'within which to decide on the claim.

In fact, applying the two-year period to judicial claims would render nugatory Section 112(D) of the NIRC, which already provides for a specific period within which a taxpayer should appeal the decision or inaction of the CIR. The second paragraph of Section 112(D) of the NIRC envisions two scenarios: (1) when a decision is issued by the CIR before the lapse of the 120-

day period; and (2) when no decision is made after the 120-day period. In both instances, the taxpayer has 30 days within which to file an appeal with the CTA. As we see it then, the 120-day period is crucial in filing an appeal with the CTA.

With regard to Commissioner of Internal Revenue v. Victorias Milling, Co., Inc. relied upon by respondent, we find the same inapplicable as the tax provision involved in that case is Section 306, now Section 229 of the NIRC. And as already discussed, Section 229 does not apply to refund/credits of input VAT, such as the instant case.

In fine, the premature filing of respondent's claim for refund/credit of input VAT before the CTA warrants a dismissal inasmuch as no jurisdiction was acquired by the CTA.'

The power to tax is the most effective instrument to raise needed revenue to finance and support the myriad activities of the government for the delivery of basic services essential to the promotion of the general welfare and enhancement of peace, progress, and prosperity of the people (***Mactan Cebu International Airport Authority vs. Marcos, 261 SCRA 667, 690***). Consequently, any delay in implementing tax measures would be to the detriment of the public. It is for this reason that claims for refund are required to be done within certain time frames. In the instant petition, the failure of petitioner to comply with such periods is fatal to its cause.

Moreover, petitioner's failure to submit documents supporting its claim for refund makes its administrative claim for refund pro-forma. This pro-forma administrative claim should not be taken as proper compliance with the requirements of the law that an administrative claim for refund should have been filed prior to the institution of a judicial claim for refund. Thus, without a validly and duly filed administrative claim for refund, the Honorable Court is without jurisdiction to entertain the Petition for Review. Petitioner's failure to comply with a condition precedent

> prior to the institution of its petition for review makes it dismissible for absence of jurisdiction on the part of the Honorable Court.
>
> The claimant has the burden of proof to establish the factual basis of his claim for tax credit or refund. After all tax refunds, like tax exemptions, are construed strictly against the taxpayer (**Citibank N.A. vs. Court of Appeals and Commissioner of Internal Revenue, 280 SCRA 459; Commissioner of Internal Revenue vs. Tokyo Shipping Co., Ltd., 244 SCRA 332, both cited in Benguet Corporation vs. Commissioner of Internal Revenue, CTA Case No. 5392 promulgated October 30,1998**).
>
> Partaking of the nature of exemptions, claims for refund are strictly construed against the claimant and cannot be allowed unless granted in the most explicit and categorical language (**Sps. Aguilar vs. Commissioner of Internal Revenue, et al., CA G.R. SP No. 16432, March 30, 1999**). Being in the nature of tax exemptions, these claims are regarded as in derogation of sovereign authority and to be construed strictissimi juris against the claimant and liberally in favor of the tax authority (**Commissioner of Internal Revenue vs. Procter and Gamble Philippines Manufacturing Corporation, 204 SCRA 377**).
>
> Claims for refund are construed strictly against the claimant for the same partake the nature of exemption from taxation (*Commissioner of Internal Revenue vs. Ledesma, 31 SCRA 95)* and such, they are looked upon with disfavor (*Western Minolco Corp. vs. Commissioner of Internal Revenue, 124 SCRA 1211*)."

On February 17, 2012, the parties submitted their Joint Stipulation of Facts and Issues ("JSFI").[15]

On April 10, 2013, petitioner filed its "Formal Offer of Documentary Evidence."[16] On May 10, 2013, the Court issued a Resolution[17] resolving the same.

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[15] *Id.*, pp. 99-101.
[16] *Id.*, pp. 576-596, with attachments.
[17] *Id.*, pp. 604-606.

Not satisfied, petitioner filed a "Motion for Partial Reconsideration (Of the Resolution dated 10 May 2013)."[18] And the Court resolved to grant the same in a Resolution[19] dated July 19, 2013.

On the other hand, respondent manifested in open court that she will no longer present any evidence.[20]

After the case have rested, the Court resolved to submit the case for decision, taking into consideration the "Memorandum," filed by respondent on September 6, 2013 and the "Memorandum" filed by petitioner on September 23, 2013.

Hence, this Decision.

ISSUES[21]

As stipulated by the parties, the issues for the Court's consideration are:

> "4. WHETHER OR NOT THE HONORABLE COURT HAS JURISDICTION TO ACT ON THE INSTANT PETITION FOR REVIEW.
>
> 5. WHETHER OR NOT THE RESPONDENT COMMISSIONER'S DENIAL BY INACTION OF SUMISETSU'S ADMINISTRATIVE CLAIM FOR REFUND WAS PROPER.
>
> 6. WHETHER OR NOT SUMISETSU IS ENTITLED TO A TAX REFUND OR A TAX CREDIT CERTIFICATE FOR ALLEGED UNUTILIZED INPUT VAT ALLEGEDLY ATTRIBUTABLE AND ALLOCATED TO SERVICES RENDERED TO PEZA-REGISTERED ENTITLED FOR THE FOUR (4) QUARTERS OF 2009 IN THE AGGREGATE AMOUNT OF ₱16,053,102.32."

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[18] *Id.*, pp. 607-611.
[19] *Id.*, pp. 1036-1038.
[20] *Id.*, p. 1039.
[21] *Id.*, JSFI, p. 100.

Taking into consideration the stipulations, the main issue to be resolved is whether or not Sumisetsu is entitled to a tax refund or a tax credit certificate for alleged unutilized input VAT attributable and allocated to services rendered to PEZA-registered entities for the four quarters of 2009 in the aggregate amount of Php16,053,102.32.

RULING OF THE COURT

The Court finds partial merit in the Petition for Review.

In its Quarterly VAT Returns for taxable year 2009, petitioner states that it has an input tax from current transactions in the total amount of ₱30,912,592.01, which is reflected as follows:

Taxable Quarter	Zero-Rated Sales/Receipts	VATable Sales/Receipts	Output Tax	Input Tax from Current Transactions
1st[22]	₱ 231,889,378.35	₱ 39,995,666.16	₱ 4,799,479.94	₱ 11,463,118.21
2nd[23]	214,602,279.94	47,945,459.70	5,753,455.16	9,388,804.97
3rd[24]	56,533,842.93	20,234,247.24	2,428,109.67	5,664,762.54
4th[25]	96,615,440.71	15,653,703.48	1,878,444.42	4,395,906.29
Total	**₱ 599,640,941.93**	**₱ 123,829,076.58**		**₱ 30,912,592.01**

Petitioner also alleges that out of the reported input tax from current transactions in the total amount of Php30,912,592.01, only the amount of Php16,053,102.32[26] is being claimed as its excess input tax, as presented below:

Input VAT Attributable to Zero-Rated Sales		
Directly Attributable *(Exhibit "A-1")*	₱ 15,909,314.25	
Common Input VAT Allocated *(Exhibit "A-2")*	6,682,753.54	₱ 22,592,067.79
Less: Input VAT Applied to Output VAT		6,538,965.47
Excess Input Tax		**₱16,053,102.32**

The relevant provision of the 1997 National Internal Revenue Code, as amended ("1997 NIRC"), to the present case are as follows:

"SEC. 112. *Refunds or Tax Credits of Input Tax.* -

[22] *Exhibit* "J."
[23] *Exhibit* "K."
[24] *Exhibit* "L."
[25] *Exhibit* "M."
[26] *Exhibits* "G" and "G-3."

> (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 of 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."

From the foregoing, the following requisites must be complied with in order to be entitled to a refund or tax credit of unutilized excess input VAT:

1) the claimant must be a VAT-registered person;
2) there must be zero-rated or effectively zero-rated sales;
3) input taxes were incurred or paid;
4) such input taxes are attributable to zero-rated or effectively zero-rated sales;
5) said input taxes were not applied against any output VAT liability; and
6) the administrative and judicial claims for refund were seasonably filed.

The administrative and judicial claims were timely filed.

It is appropriate to determine first the timeliness of the filing of the present claim, as filing beyond the reglementary period shall result in the dismissal of a case.

For the administrative claim, Section 112(A) of the 1997 NIRC states that the application for tax credit certificate/refund of unutilized excess input VAT must be filed within two (2) years after the close of the taxable quarter when the zero-rated or effectively zero-rated sales were made.

In the present case, petitioner's administrative claim filed on February 16, 2011[27] was within the two-year prescriptive period, reckoned from the close of every quarter.[28] Thus, petitioner filed its administrative claim on time.

For its judicial claim, relevant is Section 112(C) of the 1997 NIRC, which provides:

> "SEC. 112. *Refunds or Tax Credits of Input Tax.* -
>
> (C) *Period within which Refund or Tax Credit of Input Taxes shall be Made.* - In proper cases, the Commissioner 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 Subsections (A) hereof.
>
> 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." *(Emphasis supplied)*

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[27] *Exhibits* "G" and "G-3."
[28] March 31, 2009, June 30, 2009, September 30, 2009 and December 31, 2009.

Applying the foregoing provision, a Letter of Authority ("LOA") dated June 13, 2011[29] was issued by respondent. On June 17, 2011,[30] petitioner filed a letter, submitting the complete documents.

Thus, counting one hundred twenty (120) days from June 17, 2011, which was the submission of complete documents, respondent had until October 15, 2011 to decide on the claim. Since no action was taken by respondent, petitioner had thirty (30) days from October 15, 2011 or until November 14, 2011 to elevate the claim. Petitioner filed its Petition for Review on November 10, 2011. Therefore, the judicial claim for all the taxable quarters of 2009 was also timely filed.

Thus, the Court finds that both the administrative and judicial claims were timely filed.

Now we proceed to determine the other requisites.

Petitioner is a VAT-registered entity

Petitioner complied with this requirement as it is a VAT-registered entity as shown by its Certificate of Registration No. 8RC0000019593.[31]

Petitioner has zero-rated sales

Section 108(B)(3) of the 1997 NIRC, provides the following:

> "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

[29] Exhibit "H."
[30] Exhibit "I."
[31] *Records*, JSFI, p. 99.

> (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**; (*Emphasis supplied*)

Likewise, it is stated in Section 24 of Republic Act ("RA") No. 7916[32] (the "PEZA Law"), as amended, that PEZA-registered enterprises are not subject to VAT, to wit:

> "SEC. 24. *Exemption from 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**. In lieu thereof, five percent (5%) of the gross income earned by all business enterprises within the ECOZONE shall be paid and remitted as follows:
>
> (a) Three percent (3%) to the National Government;
>
> (b) Two percent (2%) which shall be directly remitted by the business establishments to the treasurer's office of the municipality or city where the enterprise is located."

In addition, Revenue Memorandum Circular No. 74-99 provides:

> "SEC. 3. *Tax Treatment of Sales Made by a VAT Registered Supplier from the Customs Territory, to a PEZA Registered Enterprise.* —
>
> xxx xxx xxx
>
> (3) In the final analysis, any sale of goods, property or services made by a VAT registered supplier from the Customs Territory to any registered enterprise operating in the ecozone, regardless of the class or type of the latter's PEZA registration, is actually qualified and thus legally entitled to the zero percent (0%) VAT. Accordingly, all sales

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[32] An Act Providing for the Legal Framework and Mechanism for the Creation, Operation, Administration, and Coordination of Special Economic Zones in the Philippines, Creating for this Purpose, the Philippine Economic Zone Authority (PEZA), and for Other Purposes.

of goods or property to such enterprise made by a VAT registered supplier from the Customs Territory shall be treated subject to 0% VAT, pursuant to Sec.106(A)(2)(a)(5), NIRC, in relation to ART. 77(2) of the Omnibus Investments Code, while **all sales of services to the said enterprises, made by VAT registered suppliers from the Customs Territory, shall be treated effectively subject to the 0% VAT**, pursuant to Sec.108(B)(3), NIRC, in relation to the provisions of R.A.7916 and the 'Cross Border Doctrine' of the VAT system.

This Circular shall serve as a sufficient basis to entitle such supplier of goods, property or services to the benefit of the zero percent (0%) VAT for sales made to the aforementioned ECOZONE enterprises and shall serve as sufficient compliance to the requirement for prior approval of zero-rating imposed by Revenue Regulations No.7-95 effective as of the date of the issuance of this Circular."

In the case of *Commissioner of Internal Revenue vs. Sekisui Jushi Philippines, Inc.*,[33] the Supreme Court explained that sales made to entities within an ecozone are deemed sales made outside the Philippine territory, to wit:

"Notably, while an ecozone is geographically within the Philippines, it is deemed a separate customs territory and is regarded in law as foreign soil. Sales by suppliers from outside the borders of the ecozone to this separate customs territory are deemed as exports and treated as export sales. These sales are zero-rated or subject to a tax rate of zero percent."

Clearly, sales made by a VAT-registered entity to PEZA-registered enterprise operating within an ecozone qualify as VAT zero-rated transactions.

Therefore, the sales of services made by petitioner to entities registered with the Subic Special Economic and Freeport Zone[34]

[33] G.R. No. 149671, July 21, 2006, 496 SCRA 206.
[34] Section 12(b) and (c) of Republic Act No. 7227, otherwise known as the "Bases Conversion Development Act of 1992," as amended by Republic Act No. 9400.

(SSFEZ) and Clark Special Economic Zone (CSEZ),[35] are subject to zero percent (0%) VAT.

Nevertheless, not the entire amount of Php599,640,941.93 of the reported zero-rated sales to PEZA, CSEZ and SSEFZ can be claimed. As only the amount of Php564,161,236.16 is duly substantiated by official receipts[36] and Certifications from PEZA, CSEZ and SSEFZ,[37] hence, only the latter amount can be considered for VAT zero-rating under Section 108(B)(3) of the 1997 NIRC, which is computed as follows:

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total
Zero-Rated Sales Per Returns	**231,889,378.35**	**214,602,279.94**	**56,533,842.93**	**96,615,440.71**	**599,640,941.93**
Less: Disallowances					
Sales to entities without registration certificate from PEZA, CSEZ or SSEFZ or VAT exemption certificate	8,907,292.73[i]	5,177,228.41[ii]	2,607,105.20[iii]	3,544,214.16[iv]	20,235,840.50
Sales not within the CSEZ or SSEFZ certificate's effectivity period	11,550,000.00[v]	2,721,730.76[vi]	75,000.00[vii]	8,800.00[viii]	14,355,530.76
Debit notes/previous payments not covered by official receipts	448,987.04[ix]	131,107.16[x]	75,340.29[xi]	20,000.00[xii]	675,434.49
Without supporting official receipts		54,500.00[xiii]	59,000.00[38]		113,500.00
Unaccounted sales [sales per VAT returns > sales per ICPA's reconciliation		0.03	99,399.99[xiv]		99,400.02
Total Disallowances	**20,906,279.77**	**8,084,566.36**	**2,915,845.48**	**3,573,014.16**	**35,479,705.77**
Valid Zero-Rated Sales	**210,983,098.58**	**206,517,713.58**	**53,617,997.45**	**₱93,042,426.55**	**564,161,236.16**

Petitioner incurred or paid input taxes

Petitioner's total input taxes amounted to Php30,912,592.01. However, in order to be entitled to a refund, petitioner must substantiate the total input taxes. The table below shows that there are unaccounted input taxes amounting to Php589,294.65. Hence, this unaccounted amount shall be disallowed for refund.

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total
	(All figures are in Philippine Pesos)				
Input Tax Per Quarterly VAT Returns *(Exhibits "J" to "M")*	**11,463,118.21**	**9,388,804.97**	**5,664,762.54**	**4,395,906.29**	**30,912,592.01**
Less: Accounted Input Tax Per Schedules					
1) Local Purchases *(Exhibit "BBB")*					
Zero-Rated Sales					
Directly Attributable	5,500,509.86	4,527,545.79	3,075,387.67	2,803,514.00	15,906,957.32
Allocated Common Input VAT	1,008,777.42	632,383.67	627,052.68	424,748.96	2,692,962.72
VATable Sales					

[35] *Id.*
[36] *Exhibits* "EEE-1" to "EEE-1421."
[37] *Exhibits* "QQQ-1" to "QQQ-7", "V-1" to "V-2."
[38] *Id.*

Allocated Common Input VAT	173,991.26	141,284.27	224,430.86	68,818.13	608,524.52
Subtotal	6,683,278.53	5,301,213.73	3,926,871.21	3,297,081.09	19,208,444.56
2) Directly Attributable to VATable Sales *(Exhibit "A-1")*	2,458,265.12	2,721,621.98	1,202,040.69	517,108.47	6,899,036.26
3) Importation of Goods *(Exhibits "CCC" and "DDD")*					
Allocated to Zero-Rated Sales	986,297.41	110,343.36	-	87,809.97	1,184,450.74
Allocated to VATable Sales	170,113.97	24,652.41	-	14,227.03	208,993.41
Subtotal	1,156,411.38	134,995.77	-	102,037.00	1,393,444.15
4) Withholding VAT *(Exhibit "HHH")*					
Allocated to Zero-Rated Sales	991,970.38	810,078.28	138,865.67	412,797.90	2,353,712.22
Allocated to VATable Sales	171,092.42	180,983.98	49,701.95	66,881.81	468,660.17
Subtotal	1,163,062.80	991,062.26	188,567.62	479,679.71	2,822,372.39
5) Unclaimed Input VAT Per VAT Return ₱5,664,762.54 Per Schedule of Attribution for Tax Credit Claim *(Exhibit "A")* 5,664,762.04 Unclaimed ₱ .50			.50		.50
Total Accounted Input Tax Per Schedules	**11,461,017.83**	**9,148,893.74**	**5,317,480.02**	**4,395,906.27**	**30,323,297.86**
Unaccounted Input Taxes	**2,100.38**	**239,911.23**	**347,282.52**	**0.02**	**589,294.15**

Likewise, based on the Final Report[39] dated February 20, 2013 of the Court-commissioned Independent Certified Public Accountant ("ICPA"), the amount of Php985,663.88 was not properly substantiated by VAT invoices or receipts as prescribed under Sections 110(A) and 113(A) and (B) of the 1997 NIRC, in relation to Sections 4.110-1, 4.110-8 and 4.113-1 of Revenue Regulations ("RR") No. 16-05. Therefore the same shall be disallowed, as computed below:

		1st Quarter	**2nd Quarter**	**3rd Quarter**	**4th Quarter**	**Total**
		(All figures are in Philippine Pesos)				
A	**Input VAT on Purchases of Goods and Services**					
	Directly Attributable to Zero-Rated Sales					
	Company name not properly indicated in the supporting documents[40]	-	6,992.99	-	-	6,992.99
	No valid supporting documents[41]	42,348.21	17,239.00	1,689.50	-	61,276.71
	Supporting documents which were booked twice[42]	9,567.86	2,878.39	60,067.03	-	72,513.28
	Not with in the period covered of the claims[43]	6,107.14	-	-	96.00	6,203.14
	With incomplete or not addressed in the company[44]	559.59	444.65	1,036.82	715.39	2,756.45
	Non-VAT or no "VAT" or No Tin indicated in the supporting documents[45]	31,607.15	90,000.00	5,892.85	9,642.86	137,142.86
	No sales invoices/official receipts submitted by the petitioner[46]	9,567.86	3,984.11	101,387.19	98,290.79	213,229.95
	Subtotal	**99,757.81**	**121,539.14**	**170,073.39**	**108,745.04**	**500,115.38**

[39] *Exhibit* "KK."
[40] *Exhibit* "FFF-1."
[41] *Exhibit* "FFF-2."
[42] *Exhibit* "FFF-3."
[43] *Exhibit* "FFF-4."
[44] *Exhibit* "FFF-5."
[45] *Exhibit* "FFF-6."
[46] *Exhibit* "FFF-7."

	Allocated to Zero-Rated Sales					
	No valid supporting documents[47]	39,126.66	-	10,386.06	195.80	49,708.52
	Supporting documents which were booked twice[48]	46,605.83	6,686.57	128,254.89	-	181,547.29
	Not with in the period covered of the claims[49]	7,789.29	-	-	-	7,789.29
	With incomplete or not addressed in the company[50]	6,281.03	16,606.97		9,851.27	32,739.27
	Non-VAT or no "VAT" or No Tin indicated in the supporting documents[51]		-	-	3,857.14	3,857.14
	No sales invoices/official receipts submitted by the petitioner[52]	38,459.82	20,961.35	81,458.91	65,118.14	205,998.22
	Subtotal before allocation	138,262.63	44,254.89	220,099.86	79,022.35	481,639.72
	x Allocation Rate[53]	85.29%*	81.74%*	73.64%*	86.06%*	
	Subtotal after allocation	**117,923.50**	**36,173.23**	**162,086.76**	**68,004.25**	**384,187.74**
B	**Input VAT on Importation of Capital Goods**					
	Allocated to Zero-Rated Sales[54]	**13,550.79**			**87,809.97**	**101,360.76**
Total		**231,232.10**	**157,712.37**	**332,160.15**	**264,559.26**	**985,663.88**

In addition, the input VAT in the amount of Php971,751.79[55] shall also be disallowed for failure to meet the substantiation requirements under the aforesaid provisions.*xv*

Also, petitioner failed to substantiate its claimed input taxes directly attributable to VATable sales amounting to Php6,899,036.26,[56] which was applied against its output tax of Php14,859,489.19.[57]

Thus, petitioner's duly substantiated excess input taxes for the year 2009 amounted only to Php6,607,356.24, as computed below:

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total
	(All Figures are in Philippine Pesos)				
Input VAT from Current Transactions	11,463,118.21	9,388,804.97	5,664,762.04	4,395,906.29	30,912,591.51
Less: Output VAT	4,799,479.94	5,753,455.16	2,428,109.67	1,878,444.42	14,859,489.19
Claimed Excess Input VAT	6,663,638.27	3,635,349.81	3,236,652.37	2,517,461.87	16,053,102.32

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[47] *Exhibit* "FFF-2."
[48] *Exhibit* "FFF-3."
[49] *Exhibit* "FFF-4."
[50] *Exhibit* "FFF-5."
[51] *Exhibit* "FFF-6."
[52] *Exhibit* "FFF-7."
[53] *Exhibit* "A."
[54] *Exhibit* "GGG."
[55] The sum of 845,828.95 and 125,922.84.
[56]

Output VAT		₱ 14,859,489.19
Less: Input VAT Attributable to VATable Sales		
Directly Attributable *(Exhibit "A-1")*	₱6,899,036.26	
Common Input VAT Allocated *(Exhibit "A-2")*	1,421,487.46	8,320,523.72
Net Output VAT which was offset against the Input VAT Attributable to Zero-Rated Sales		₱ 6,538,965.47

[57] *Id.*

Less: Disallowances					
Unaccounted Input VAT	2,100.38	239,911.23	347,282.52	0.02	589,294.15
Per ICPA's Report					
Directly Attributable to Zero-Rated Sales	99,757.81	121,539.14	170,073.39	108,745.04	500,115.38
Allocated Common Input VAT	131,474.29	36,173.23	162,086.76	155,814.22	485,548.50
Subtotal	231,232.10	157,712.37	332,160.15	264,559.26	985,663.88
Per this Court's Further Verification					
Directly Attributable to Zero-Rated Sales	358,352.85	191,465.68	85,595.77	210,414.65	845,828.95
Allocated Common Input VAT	46,817.97	26,064.71	40,553.05	12,487.12	125,922.84
Subtotal	405,170.82	217,530.39	126,148.82	222,901.77	971,751.79
Unsupported Input VAT Claimed as Directly Attributable to VATable Sales	2,458,265.12	2,721,621.98	1,202,040.69	517,108.47	6,899,036.26
Total Disallowances	3,096,768.41	3,336,775.97	2,007,632.18	1,004,569.51	9,445,746.08
Valid Excess Input VAT	**3,566,869.86**	**298,573.83**	**1,229,020.19**	**1,512,892.36**	**6,607,356.24**

Petitioner's claimed input taxes were unutilized and attributable to its zero-rated sales

Petitioner's substantiated input VAT in the amount of Php6,607,356.24 is already net of its output VAT liability for the four taxable quarters of 2009 in the amount of Php14,859,489.19. Consequently, the amount of Php6,607,356.24 can be attributed to the entire zero-rated sales declared by petitioner in the amount of Php599,640,941.93 and only the input VAT of Php6,155,193.95 is attributable to the valid zero-rated sales of Php564,161,236.16, as computed below:

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total
	(All Amounts are in Philippine Pesos)				
Valid Zero-Rated Sales	210,983,098.58	206,517,713.58	53,617,997.45	93,042,426.55	564,161,236.16
Total Declared Zero-Rated Sales	231,889,378.35	214,602,279.94	56,533,842.93	96,615,440.71	599,640,941.93
% of Valid Zero-Rated Sales to Total Declared	90.9843737%	96.2327677%	94.8423009%	96.3018187%	
Multiplied by: Valid Excess Input VAT	3,566,869.86	298,573.83	1,229, 020.19	1,512,892.36	6,607,356.24
Input VAT Attributable to Valid Zero-Rated Sales	**3,245,294.20**	**287,325.86**	**1,165,631.03**	**1,456,942.86**	**6,155,193.95**

Although the claimed input VAT was carried-over by petitioner in its succeeding Quarterly VAT Returns[58] from the first quarter of 2010 to the first quarter of 2011, the same remained unutilized until it was deducted in its Quarterly VAT Return for the first quarter of 2011, as

[58] *Exhibits* "N" to "R."

"VAT Refund/TCC claimed"[59] from the total available input tax. Thus, the claimed excess input taxes for the four taxable quarters of 2009 could not have been carried-over/utilized in the succeeding second quarter of 2011.

Therefore, only the amount of Php6,155,193.95 representing its creditable input VAT paid and attributable/allocated to effectively zero-rated sales for the four quarters of taxable year 2009 can be claimed by petitioner.

WHEREFORE, the Petition for Review is hereby **PARTIALLY GRANTED**. Respondent is hereby **ORDERED** to **REFUND** or **ISSUE A TAX CREDIT CERTIFICATE** to petitioner the amount of Php6,155,193.95 representing its unutilized excess input VAT for the four quarters of taxable year 2009.

SO ORDERED.

LOVELL R. BAUTISTA
Associate Justice

WE CONCUR:

ESPERANZA R. FABON-VICTORINO
Associate Justice

(On Leave)
MA. BELEN M. RINGPIS-LIBAN
Associate Justice

[59] *Exhibit* "R."

ATTESTATION

I attest 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.

LOVELL R. BAUTISTA
Associate Justice
Chairperson

CERTIFICATION

Pursuant to Section 13 of Article VIII of the Constitution, and the Division Chairperson's Attestation, I certify that the conclusions in the above Decision had been 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

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[i] **Sales to entities without registration certificate from PEZA, CSEZ or SSEFZ or VAT exemption certificate**

Date	Exhibit	Client	Amount
13-Jan-09	"EEE-945"	Misuzu Erie Corp.	₱ 1,292,328.00
14-Jan-09	"EEE-947"	Misuzu Erie Corp.	6,687,895.00
20-Jan-09	"EEE-961"	Japan Create Co., Ltd.	492,355.50
22-Jan-09	"EEE-963"	Embassy of Japan	36,400.98
22-Jan-09	"EEE-964"	Embassy of Japan	32,878.30
25-Feb-09	"EEE-1004"	Honda Parts Mfg. Corp.	152,000.00
12-Feb-09	"EEE-1007"	Misuzu Erie Corp.	69,642.72
25-Feb-09	"EEE-1009"	Embassy of Japan	36,800.88

18-Mar-09	"EEE-1048"	Embassy of Japan	37,266.65
18-Mar-09	"EEE-1049"	Embassy of Japan	42,075.25
18-Mar-09	"EEE-1050"	Embassy of Japan	27,649.45
		Subtotal – 1st Quarter	**₱ 8,907,292.73**

[ii] **Sales to entities without registration certificate from PEZA, CSEZ or SSEFZ or VAT exemption certificate**

13-Apr-09	"EEE-1092"	Japan Create Co., Ltd.	₱ 1,180,227.30
6-May-09	"EEE-1122"	Embassy of Japan	33,893.30
6-May-09	"EEE-1123"	Embassy of Japan	22,999.03
6-May-09	"EEE-1124"	Embassy of Japan	69,816.05
6-May-09	"EEE-1125"	Embassy of Japan	37,524.73
5-Jun-09	"EEE-1164"	Miyano Phils., Inc.	793,560.00
8-Jun-09	"EEE-1165"	Manila Japanese School	96,208.00
19-Jun-09	"EEE-1170"	Miyano Phils., Inc.	2,943,000.00
		Subtotal – 2nd Quarter	**₱ 5,177,228.41**

[iii] **Sales to entities without registration certificate from PEZA, CSEZ or SSEFZ or VAT exemption certificate**

16-Jul-09	"EEE-1199"	Embassy of Japan	₱ 33,789.00
30-Jul-09	"EEE-1208"	Miyano Phils., Inc.	78,000.00
30-Jul-09	"EEE-1209"	Miyano Phils., Inc.	1,353,030.00
30-Jul-09	"EEE-1210"	Miyano Phils., Inc.	600,000.00
30-Jul-09	"EEE-1212"	Miyano Phils., Inc.	22,800.00
30-Jul-09	"EEE-1213"	Miyano Phils., Inc.	53,200.00
31-Jul-09	"EEE-1214"	Embassy of Japan	28,984.20
7-Aug-09	"EEE-1225"	Japan Create Co., Ltd.	72,462.00
1-Sep-09	"EEE-1263"	Miyano Phils., Inc.	152,000.00
1-Sep-09	"EEE-1264"	Miyano Phils., Inc.	10,000.00
1-Sep-09	"EEE-1272"	Misuzu Erie Corp.	202,840.00
		Subtotal – 3rd Quarter	**₱ 2,607,105.20**

[iv] **Sales to entities without registration certificate from PEZA, CSEZ or SSEFZ or VAT exemption certificate**

9-Oct-09	"EEE-1317"	Embassy of Japan	₱ 41,656.13
9-Oct-09	"EEE-1318"	Embassy of Japan	27,374.03
9-Oct-09	"EEE-1320"	Miyano Phils., Inc.	10,000.00
9-Oct-09	"EEE-1321"	Miyano Phils., Inc.	31,000.00
14-Oct-09	"EEE-1323"	Misuzu Erie Corp.	703,545.00
19-Oct-09	"EEE-1328"	Embassy of Japan	14,118.90
19-Oct-09	"EEE-1329"	Embassy of Japan	32,944.10
19-Oct-09	"EEE-1330"	Embassy of Japan	222,000.00
3-Nov-09	"EEE-1358"	Misuzu Erie Corp.	1,645,966.00
13-Nov-09	"EEE-1362"	Miyano Phils., Inc.	327,000.00
13-Nov-09	"EEE-1363"	Miyano Phils., Inc.	13,000.00
13-Nov-09	"EEE-1364"	Miyano Phils., Inc.	407,610.00
26-Nov-09	"EEE-1375"	Embassy of Japan	68,000.00
		Subtotal – 4th Quarter	**₱ 3,544,214.16**

[v] **Sales not within the CSEZ or SSEFZ certificate's effectivity period**

Date	Exhibit	Client	Amount
16-Jan-09	"EEE-939"	Nanox Phils., Inc.	₱ 5,750,000.00
6-Mar-09	"EEE-1037"	Nanox Phils., Inc.	5,800,000.00
		Subtotal – 1st Quarter	**₱ 11,550,000.00**
14-Apr-09	"EEE-1090"	Nanox Phils., Inc.	₱ 2,280,000.00
7-May-09	"EEE-1126"	Nanox Phils., Inc.	424,000.00
29-May-09	"EEE-1150"	Nanox Phils., Inc.	17,730.76
		Subtotal – 2nd Quarter	**₱ 2,721,730.76**
27-Jul-09	"EEE-1207"	Nanox Phils., Inc.	₱ 75,000.00
		Subtotal – 3rd Quarter	**₱ 75,000.00**
27-Nov-09	"EEE-1385"	Nidec Subic Philippines Corp.	₱ 8,800.00
		Subtotal – 4th Quarter	**₱ 8,800.00**
Total disallowed sales not within the CSEZ or SSEFZ certificate's effectivity period			**₱ 14,355,530.76**

[vi] *Id.*
[vii] *Id.*
[viii] *Id.*
[ix] **Debit notes/ previous payments not covered by official receipts**

Date	Exhibit	Client	Amount
28-Jan-09	"EEE-976"	Cebu Mitsumi, Inc.	₱ 225,109.34
13-Feb-09	"EEE-1017"	Tsuneishi Heavy Industries, Inc.	166,251.69

20-Mar-09	"EEE-1068"	Cebu Mitsumi, Inc.		40,958.12
27-Mar-09	"EEE-1069"	Cebu Mitsumi, Inc.		16,667.89
		Subtotal – 1st Quarter	₱	**448,987.04**
27-Jun-09	"EEE-1175"	Cebu Mitsumi, Inc.	₱	131,107.16
		Subtotal – 2nd Quarter	₱	**131,107.16**
18-Jul-09	"EEE-1186"	Cebu Mitsumi, Inc.	₱	75,340.29
		Subtotal – 3rd Quarter		**75,340.29**
11-Dec-09	"EEE-1402"	Showa Aluminum Mfg. Phils Corp.	₱	14,000.00
18-Dec-09	"EEE-1412"	Showa Aluminum Mfg. Phils Corp.		6,000.00
		Subtotal - 4th Quarter	₱	**20,000.00**
Total disallowed zero-rated sales – debit notes/ previous payments/ not covered by official receipts			₱	**675,434.49**

[x] *Id.*
[xi] *Id.*
[xii] *Id.*
[xiii] **Without supporting official receipts**

Date	Exhibit	Client	Amount	
13-Apr-09	-	F.Tech Phils. Mfg., Inc.	₱	54,500.00
		Subtotal – 2nd Quarter	₱	**54,500.00**
15-Sep-09	-	Ibiden Philippines Inc.	₱	59,000.00
		Subtotal – 3rd Quarter	₱	**59,000.00**
Total disallowed zero-rated sales without supporting official receipts			₱	**113,500.00**

[xiv] **Unaccounted sales**

Year 2009	Zero-Rated Sales Per Quarterly VAT Returns		Zero-Rated Sales Per Sales Summary (Exhibit "EEE")	Difference
	Exhibit	Amount	Amount	
1st Quarter	"J"	₱ 231,889,378.35	₱ 231,889,378.75	₱ (0.40)
2nd Quarter	"K"	214,602,279.94	214,602,279.91	0.03
3rd Quarter	"L"	56,533,842.93	56,434,442.94	99,399.99
4th Quarter	"M"	96,615,440.71	96,618,440.70	(2,999.99)
		₱599,640,941.93	**₱599,544,542.30**	**₱99,400.02**

[xv] **DIRECTLY ATTRIBUTABLE TO ZERO-RATED SALES**

Exhibit	O.R. / Invoice No.	O.R. / Invoice Date	Supplier	Input Tax (In Philippine Pesos)
1.1 Supported by ORs/invoices in which VAT was not separately shown				
BBB-4836	2968	11-Mar-09	Rainbow GeoScientific Corp.	1,671.43
BBB-898	10308	21-Feb-09	Viterbo Trading Corp.	4,011.41
BBB-4351	U 0607255	7-Feb-09	Angeles Electric Corporation	206.25
BBB-4352	U 0632410	11-Mar-09	Angeles Electric Corporation	211.91
BBB-4819	PBMOR000075786	19-Feb-09	PLDT	570.70
Subtotal – 1st Quarter				**6,671.70**
BBB-5303	3377	28-Mar-09	A-Easy Trucking	600.00
BBB-5304	3377	28-Mar-09	A-Easy Trucking	960.00
BBB-5305	3377	28-Mar-09	A-Easy Trucking	5,700.00
BBB-5306	3377	28-Mar-09	A-Easy Trucking	2,640.00
BBB-5307	3377	28-Mar-09	A-Easy Trucking	3,300.00
BBB-5340	U 0868783	27-Apr-09	Angeles Electric Corporation	247.77
BBB-6032	5322	3-Jun-09	Kooler Industries	990.00
Subtotal – 2nd Quarter				**14,437.77**
BBB-6785	2740	22-Oct-09	Concrete Solutions, Inc.	4,457.14
BBB-6786	2740	22-Oct-09	Concrete Solutions, Inc.	3,567.86
BBB-6868	A320712	13-Aug-09	Dusit Thani	4,125.00
BBB-6954	19219	28-Jul-09	Fuji-Haya Electric Corporation of the Phils.	2,892.86
BBB-7096	21087	30-Sep-09	Loxon Philippines, Inc.	1,607.14
BBB-7097	21087	30-Sep-09	Loxon Philippines, Inc.	20,892.86
BBB-7129	0040	6-Jul-09	Oursoft Integration and I.T. Solutions, Inc.	535.71
Subtotal – 3rd Quarter				**38,078.57**
BBB-7605	U1317165	5-Oct-09	Angeles Electric Corporation	233.04
BBB-8015	0253	28-Dec-09	HCCT Construction Corporation	165,000.00
BBB-8016	0253	28-Dec-09	HCCT Construction Corporation	32,142.86
Subtotal – 4th Quarter				**197,375.90**
Total				**256,563.94**
1.2 Supported by ORs/invoices dated outside the period of claim				
BBB-272	575811	18-Dec-08	Columbia Wire & Cable Corp.	90,428.57

BBB-294	25093	19-Nov-08	Daikin-Alen Air Conditioning, Inc.	26,196.43
BBB-378	2826	3-Dec-08	Econlite Manufacturing Philippines Corporation	1,167.86
BBB-379	7537	13-Jan-08	Edison Electric Integrated, Inc.	878.57
BBB-637	12055	20-Nov-08	Loxon Philippines, Inc.	87,857.14
BBB-812	1366	4-Nov-08	Say Enterprises Incorporated	3,964.28
BBB-813	1365	4-Nov-08	Say Enterprises Incorporated	3,107.14
BBB-828	0214	6-Nov-08	SystemWarehouse Corporation	12,850.18
Subtotal - 1st Quarter				**226,450.17**
BBB-8036	221729	12-Feb-10	International Elevator & Equipment, Inc.	2,751.43
Subtotal - 4th Quarter				**2,751.43**
Total				**229,201.60**
1.3 Supported by ORs/invoices which are not duly registered with the BIR				
BBB-572	1410076927	5-Jan-09	Hilti (Philippines), Inc.	498.57
BBB-573	1410081799	4-Mar-09	Hilti (Philippines), Inc.	401.52
BBB-574	1410081839	4-Mar-09	Hilti (Philippines), Inc.	313.83
BBB-575	1410081794	4-Mar-09	Hilti (Philippines), Inc.	319.83
BBB-576	1410081835	4-Mar-09	Hilti (Philippines), Inc.	1,383.51
BBB-577	1410081840	4-Mar-09	Hilti (Philippines), Inc.	874.30
BBB-4779	001736	20-Jan-09	Oriental Assurance Corporation	45,000.00
Subtotal - 1st Quarter				**48,791.56**
BBB-1295	C9U1A0162	17-Mar-09	Canon Marketing (Philippines), Inc.	1,134.11
BBB-1296	C9U1A0218	1-Apr-09	Canon Marketing (Philippines), Inc.	2,850.00
BBB-2031	266073	26-May-09	Puyat Steel Corp.	3,401.79
BBB-2032	266057	25-May-09	Puyat Steel Corp.	7,483.93
Subtotal - 2nd Quarter				**14,869.83**
BBB-2507	xxxxxx	16-Jul-09	Canon Marketing (Philippines), Inc.	676.18
BBB-2508	xxxxxx	25-Aug-09	Canon Marketing (Philippines), Inc.	931.07
BBB-2822	00854	9-Jul-09	First Philippine Power Systems, Inc.	17,421.43
BBB-3024	275700	14-Sep-09	Puyat Steel Corporation	3,592.59
Subtotal - 3rd Quarter				**22,621.27**
BBB-3504	013739	2-Oct-09	Canon Marketing (Philippines), Inc.	254.89
Subtotal - 4th Quarter				**254.89**
Total				**86,537.55**
1.4 Supported by TIN-NV/TIN-V/TIN ORs/invoices				
BBB-4477	0776	5-Jan-09	EC PWRTech & Services, Inc.	11,805.21
BBB-4479	0788	27-Feb-09	EC PWRTech & Services, Inc.	10,714.29
Subtotal - 1st Quarter				**22,519.50**
BBB-5773	0802	14-May-09	EC PWRTech & Services, Inc.	2,357.14
BBB-5774	0802	14-May-09	EC PWRTech & Services, Inc.	1,819.82
BBB-5775	0807	29-Jun-09	EC PWRTech & Services, Inc.	2,678.57
BBB-5776	0793	30-Mar-09	EC PWRTech & Services, Inc.	31,932.43
BBB-5777	0802	14-May-09	EC PWRTech & Services, Inc.	5,088.00
BBB-5778	0802	14-May-09	EC PWRTech & Services, Inc.	9,822.32
BBB-6070	1157220	14-May-09	Mapfre Insular Insurance Corporation	1,200.24
Subtotal - 2nd Quarter				**54,898.52**
BBB-3954	4510	16-Dec-09	Migatsu Enterprise	8,035.71
Subtotal - 4th Quarter				**8,035.71**
Total				**85,453.73**
1.5 Supported by ORs/Collection Receipts printed with "This document is not a valid source of input tax." or alike				
BBB-5016	7448	5-Mar-09	Yale Hardware Corporation	160.71
Subtotal - 1st Quarter				**160.71**
BBB-6127-A	0087	9-Jun-09	Power Projects & Maintenance Solutions, Inc.	34,342.50
Subtotal - 2nd Quarter				**34,342.50**
BBB-6588	232436	9-Oct-09	AVESCO Marketing Corporation	1,071.43
BBB-6944	5162	30-Sep-09	First Snowden Systems & Industrial Corp.	2,142.86
BBB-7067	62194	28-Jul-09	Jade Philippines	289.29
BBB-7150	PBMCR000003242	2-Sep-09	PLDT	708.54
Subtotal - 3rd Quarter				**4,212.12**
BBB-8135	PBMCR000006812	8-Oct-09	PLDT	715.39
BBB-8136	PBMCR000012107	23-Nov-09	PLDT	597.07
Subtotal - 4th Quarter				**1,312.46**
Total				**40,027.79**
1.6 Supported by invoice with correction in date, without countersignature				
BBB-786	0002	5-Jan-09	Santelco Cable Tray Inc.	29,892.86
Subtotal - 1st Quarter				**29,892.86**
1.7 Supported by undated ORs/invoices				
BBB-887	141263	-	Vineza Industrial Sales	396.43
BBB-4642	0191	-	HCCT Construction Corporation	2,250.00
BBB-4644	0191	-	HCCT Construction Corporation	1,821.43
BBB-4645	0191	-	HCCT Construction Corporation	334.61
BBB-4646	0191	-	HCCT Construction Corporation	192.86
BBB-4647	0191	-	HCCT Construction Corporation	1,510.71
BBB-4648	0191	-	HCCT Construction Corporation	3,214.29
BBB-4649	0191	-	HCCT Construction Corporation	5,357.14
BBB-4650	0191	-	HCCT Construction Corporation	2,303.57
BBB-4651	0191	-	HCCT Construction Corporation	535.71

BBB-4652	0191	-	HCCT Construction Corporation	246.43
BBB-4653	0191	-	HCCT Construction Corporation	1,050.00
BBB-4654	0191	-	HCCT Construction Corporation	300.00
Total – 1st Quarter				**19,513.18**
1.8 Overclaimed Input VAT				
BBB-4686	6186993	13-Jan-09	Innove Communications, Inc.	24.17
Subtotal – 1st Quarter				**24.17**
BBB-5346	4517	29-May-09	Azbil Philippines Corporation	196.43
BBB-6104	12661	26-Jun-09	Philippine Transworld Shipping Corporation	4,490.36
Subtotal – 2nd Quarter				**4,686.79**
BBB-7061	7042050	25-Aug-09	Innove Communications, Inc.	8.55
BBB-7062	7044366	7-Jul-09	Innove Communications, Inc.	9.26
BBB-7063	7044366	7-Jul-09	Innove Communications, Inc.	0.41
BBB-7064	6813383	18-Sep-09	Innove Communications, Inc.	8.23
BBB-7065	6813383	18-Sep-09	Innove Communications, Inc.	2.28
Subtotal – 3rd Quarter				**28.73**
BBB-8022	7317421	5-Oct-09	Innove Communication, Inc.	7.74
BBB-8023	7317421	5-Oct-09	Innove Communication, Inc.	1.79
BBB-8024	7575085	6-Nov-09	Innove Communication, Inc.	86.81
BBB-8025	7580932	10-Dec-09	Innove Communication, Inc.	1.41
BBB-8026	7580932	10-Dec-09	Innove Communication, Inc.	7.94
Subtotal – 4th Quarter				**105.69**
Total				**4,845.38**
1.9 Without supporting ORs				
-	03594	2-Feb-09	Innove Communications, Inc.	423.34
-	03594	2-Feb-09	Innove Communications, Inc.	502.74
-	03594	2-Feb-09	Innove Communications, Inc.	293.98
Subtotal – 1st Quarter				**1,220.06**
-	175685	30-Jun--09	Danao Telecom Co., Inc.	185.47
-	2413	8-May-09	Global Staff Recruitment Search Inc.	1,219.35
-	2413	8-May-09	Global Staff Recruitment Search Inc.	1,246.79
-	2413	8-May-09	Global Staff Recruitment Search Inc.	3,382.42
-	2413	8-May-09	Global Staff Recruitment Search Inc.	2,830.95
-	2413	8-May-09	Global Staff Recruitment Search Inc.	6,386.78
-	2413	8-May-09	Global Staff Recruitment Search Inc.	4,894.57
-	211	26-May-09	HCCT Construction Corporation	1,607.14
-	12608	24-Apr-09	Philippine Transworld Shipping Corporation	6,246.43
-	15773	17-Mar-09	Worksavers Personnel Services, Inc.	11,803.29
-	15773	17-Mar-09	Worksavers Personnel Services, Inc.	1,485.63
-	15776	4-Mar-09	Worksavers Personnel Services, Inc.	6,066.25
-	15773	17-Mar-09	Worksavers Personnel Services, Inc.	3,947.38
-	15773	17-Mar-09	Worksavers Personnel Services, Inc.	7,928.74
-	15776	4-Mar-09	Worksavers Personnel Services, Inc.	7,393.32
-	15776	4-Mar-09	Worksavers Personnel Services, Inc.	1,220.05
Subtotal – 2nd Quarter				**67,844.56**
-	0467	7-Aug-09	Dou-System Technology, Inc.	267.86
-	1549	2-Oct-09	Dou-System Technology, Inc.	8,142.86
-	1549	2-Oct-09	Dou-System Technology, Inc.	6,964.29
-	2805	2-Oct-09	Global Staff Recruitment Search, Inc.	1,687.78
-	2804	2-Oct-09	Global Staff Recruitment Search, Inc.	1,338.00
-	219	26-Jun-09	HCCT Construction Corporation	1,071.43
Subtotal – 3rd Quarter				**19,472.22**
-	244	30-Oct-09	HCCT Construction Corporation	578.57
Subtotal – 4th Quarter				**578.57**
Total				**89,115.41**
1.10 Without supporting invoices				
-	477042	27-Jan-09	Canon Mktg. (Phils.), Inc.	1,465.29
-	5636	2-Mar-09	Excelon Industrial Plastics	182.14
-	13144	1-May-09	JET Hardware and Electrical Supplies	236.79
-	13148	1-May-09	JET Hardware and Electrical Supplies	221.79
-	-	-	Cebu Polar Marketing Corporation	1,002.93
Subtotal –1st Quarter				**3,108.94**
-	-	-	Edison Electric Integrated, Inc.	385.71
Subtotal – 2nd Quarter				**385.71**
-	114788	10-Sep-09	Cebu Boltcenter Corp.	31.07
-	12678	3-Aug-09	Loxon Philippines, Inc.	1,151.79
Subtotal – 2nd Quarter				**1,182.86**
Total				**4,677.51**
Total Disallowances for the year 2009 on Input VAT Directly Attributable to Zero-Rated Sales				*845,828.95*

COMMON INPUT TAX ALLOCATED TO ZERO-RATED SALES

1st Quarter				
2.1 Supported by ORs/invoices in which VAT was not separately shown				
BBB-1006	47479	5-Mar-09	Floro Blue Printing (Makati) Inc.	188.57
BBB-1007	47403	10-Mar-09	Floro Blue Printing (Makati) Inc.	2,378.58
BBB-5038	34822	25-Feb-09	ACCRA Law Offices	535.71
BBB-5047	U 0598456	21-Jan-09	Angeles Electric Corporation	176.80

BBB-5055	4786	13-Feb-09	Bon Gavino Gautier	9,600.00
Subtotal before allocation				12,879.66
x Allocation Rate				85.29%
Subtotal after allocation				**10,985.06**
2.2 Supported by invoice dated outside the period of claim				
BBB-5177	7472	12-Dec-08	Millenium Business Services, Inc.	2,590.50
Subtotal before allocation				2,590.50
x Allocation Rate				85.29%
Subtotal after allocation				**2,209.44**
2.3 Supported by invoice which is not duly registered with BIR				
BBB-1086	408204	26-Jan-09	Moldex Products, Inc.	2,668.76
Subtotal before allocation				2,668.76
x Allocation Rate				85.29%
Subtotal after allocation				**2,276.19**
2.4 Supported by OR printed with "This document is not a valid claim of input tax."				
BBB-5075	29575	30-Jan-09	Concepcion-Carrier Air Conditioning Company	15,857.14
Subtotal before allocation				15,857.14
x Allocation Rate				85.29%
Subtotal after allocation				**13,524.55**
2.5 Overclaimed Input VAT				
BBB-5137	6184168	19-Jan-09	Innove Communications	7.64
BBB-5138	6184168	19-Jan-09	Innove Communications	18.44
BBB-5141	6348538	11-Feb-09	Innove Communications	2.03
BBB-5142	6348539	11-Feb-09	Innove Communications	6.82
BBB-5145	6351116	11-Mar-09	Innove Communications	23.34
Subtotal before allocation				58.27
x Allocation Rate				85.29%
Subtotal after allocation				**49.70**
2.6 Without supporting ORs				
-	-	-	Bell Telecommunication Philippines, Inc.	2,005.27
-	-	-	Bell Telecommunication Philippines, Inc.	2,005.27
-	-	-	Innove Communications	348.82
-	-	-	Innove Communications	1,100.83
-	-	-	Worksavers Personnel Services	3,675.33
-	-	-	Worksavers Personnel Services	3,877.74
-	8026544	5-Jan-09	Globe Telecom, Inc.	962.21
-	3007873	13-Jan-09	Globe Telecom, Inc.	3,204.47
-	8027072	22-Jan-09	Globe Telecom, Inc.	3,505.09
Subtotal before allocation				20,685.03
x Allocation Rate				85.29%
Subtotal after allocation				**17,642.26**
2.7 Without supporting invoice				
-	-	-	Top-Rigid Industrial Safety Suppy, Inc.	153.32
Subtotal before allocation				153.32
x Allocation Rate				85.29%
Subtotal after allocation				**130.77**
Total Disallowances on Allocated Common Input Tax, 1st Quarter				**46,817.97**
2nd Quarter				
3.1 Supported by ORs in which VAT was not separately shown				
BBB-6409	65314	28-Apr-09	Air 2100, Inc.	72.00
BBB-6410	U 1080027	3-Jun-09	Angeles Electric Corporation	297.90
BBB-6526	6624	17-Apr-09	Tradepoints, Inc.	535.71
Subtotal before allocation				905.61
x Allocation Rate				81.74%
Subtotal after allocation				**740.25**
3.2 Overclaimed Input VAT				
BBB-6468	63532x	13-Apr-09	Innove Communications	9.05
BBB-6469	63532x	13-Apr-09	Innove Communications	9.63
Subtotal before allocation				18.68
x Allocation Rate				81.74%
Subtotal after allocation				**15.27**
3.3 Without supporting ORs				
-	-	-	DHL Express (Phils.) Corp.	18,192.00
-	15782	13-May-09	Worksavers Personnel Services	12,421.31
-	6810899	10-Jun-09	Innove Communications, Inc.	196.42
Subtotal before allocation				30,809.73
x Allocation Rate				81.74%
Subtotal after allocation				**25,183.87**
3.4 Without supporting invoice				
-	32367	16-Apr-09	Top-Rigid Industrial Safety Supply, Inc.	153.32

Subtotal before allocation				153.32
x Allocation Rate				81.74%
Subtotal after allocation				**125.32**
Total Disallowances on Allocated Common Input Tax, 2nd Quarter				**26,064.71**
4.1 Supported by ORs in which VAT was not separately shown				
BBB-7375	1415	4-Sep-09	All State International Trading, Inc.	300.00
BBB-7391	002136	16-Jul-09	Chevron Philippines, Inc.	26.79
BBB-7391	002218	20-Aug-09	Chevron Philippines, Inc.	107.14
BBB-7391	002218	20-Aug-09	Chevron Philippines, Inc.	10,085.88
BBB-7391	002218	20-Aug-09	Chevron Philippines, Inc.	9,061.76
BBB-7425	A321183	9-Sep-09	Dusit Thani	5,357.15
Subtotal before allocation				24,938.72
x Allocation Rate				73.64%
Subtotal after allocation				**18,364.87**
4.2 Supported by Collection Receipts printed with "This document is not a valid source of input tax."				
BBB-7510	PBMCR000003242	2-Sep-09	PLDT	214.28
BBB-7511	PBMCR000003242	2-Sep-09	PLDT	154.94
BBB-7512	PBMCR000003242	2-Sep-09	PLDT	306.58
BBB-7513	PBMCR000003242	2-Sep-09	PLDT	5,391.49
Subtotal before allocation				6,067.29
x Allocation Rate				73.64%
Subtotal after allocation				**4,467.95**
4.3 Overclaimed Input VAT				
BBB-7368	38734	20-Aug-09	ACCRA Law Offices	86.49
BBB-7468	7045359	16-Jul-09	Innove Communications, Inc.	1.91
BBB-7469	7045359	16-Jul-09	Innove Communications, Inc.	7.78
BBB-7470	7045359	16-Jul-09	Innove Communications, Inc.	7.65
BBB-7471	7041776	6-Aug-09	Innove Communications, Inc.	3.55
BBB-7472	7038306	11-Aug-09	Innove Communications, Inc.	11.49
BBB-7473	7038306	11-Aug-09	Innove Communications, Inc.	5.43
BBB-7474	7042050	25-Aug-09	Innove Communications, Inc.	1.96
BBB-7475	7043850	9-Sep-09	Innove Communications, Inc.	7.08
BBB-7476	6813384	18-Sep-09	Innove Communications, Inc.	11.96
BBB-7477	6813384	18-Sep-09	Innove Communications, Inc.	8.33
Subtotal before allocation				153.63
x Allocation Rate				73.64%
Subtotal after allocation				**113.13**
4.4 Without supporting ORs				
-	0265	11-Aug-09	Al' Save Rent A Car	2,598.21
-	-	-	Cebu Tristar Corp.	5,616.00
-	-	-	Cebu Tristar Corp.	5,616.00
-	-	-	Globe Telecom, Inc.	495.27
-	9003568	21-Jul-09	Globe Telecom, Inc.	267.86
-	9003568	21-Jul-09	Globe Telecom, Inc.	128.57
-	-	-	Globe Telecom, Inc.	114.48
-	-	-	Globe Telecom, Inc.	247.30
-	-	-	Philippine Transworld Shipping Corporation	2,678.57
Subtotal before allocation				17,762.26
x Allocation Rate				73.64%
Subtotal after allocation				**13,080.13**
4.5 Without supporting invoices				
-	0273	23-Jul-09	1st Advenue Advertising & Design Corporation	1,607.14
-	-	-	Majestik Trading Corporation	107.14
-	-	-	Manila Bulletin	2,093.14
-	-	-	Marsmac Industrial Parts & Equipment	2,340.00
Subtotal before allocation				6,147.42
x Allocation Rate				73.64%
Subtotal after allocation				**4,526.96**
Total Disallowances on Allocated Common Input Tax – 3rd Quarter				**40,553.05**
5.1 Supported by ORs in which VAT was not separately shown				
BBB-8360	A322037	7-Oct-09	Dusit Thani	1,178.57
BBB-8361	A324836	29-Dec-09	Dusit Thani	3,535.72
Subtotal before allocation				4,714.29
x Allocation Rate				86.06%
Subtotal after allocation				**4,057.12**
5.2 Supported by OR dated outside the period of claim				
BBB-8430	1071	15-Jan-10	Philtac International Corporation	1,200.00
Subtotal before allocation				1,200.00
x Allocation Rate				86.06%
Subtotal after allocation				**1,032.72**

5.3 Supported by Collection Receipts printed with "This document is not a valid source of input tax."				
BBB-8434	PBMCR000011602	17-Nov-09	PLDT	206.94
BBB-8435	PBMCR000011602	17-Nov-09	PLDT	151.09
BBB-8436	PBMCR000011602	17-Nov-09	PLDT	337.28
BBB-8437	PBMCR000011602	17-Nov-09	PLDT	3,691.11
BBB-8438	PBMCR000014065	11-Dec-09	PLDT	3,702.08
BBB-8439	PBMCR000014065	11-Dec-09	PLDT	151.64
BBB-8440	PBMCR000014065	11-Dec-09	PLDT	262.59
Subtotal before allocation				8,502.73
x Allocation Rate				86.06%
Subtotal after allocation				**7,317.45**
5.4 Overclaimed Input VAT				
BBB-8402	7318285	12-Oct-09	Innove Communications, Inc.	9.07
BBB-8403	7318285	12-Oct-09	Innove Communications, Inc.	4.94
BBB-8404	7317869	8-Oct-09	Innove Communications, Inc.	3.23
BBB-8405	7574178	28-Oct-09	Innove Communications, Inc.	1.97
BBB-8406	7314429	17-Nov-09	Innove Communications, Inc.	20.39
BBB-8407	7314430	17-Nov-09	Innove Communications, Inc.	5.06
BBB-8408	7581932	18-Dec-09	Innove Communications, Inc.	2.06
Subtotal before allocation				46.72
x Allocation Rate				86.06%
Subtotal after allocation				**40.21**
5.5 Without supporting Invoice				
-	0998	30-Oct-09	Med Express Drugstore	46.04
Subtotal before allocation				46.04
x Allocation Rate[xv]				86.06%
Subtotal after allocation				**39.62**
Total Disallowances on Allocated Common Input Tax -4th Quarter				**12,487.12**
Total Disallowances for the year 2009 on Allocated Common Input Tax				*125,922.84*

Grand Total Disallowances on Claimed Input VAT for the year 2009	**971,751.79**[xv]