REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
Quezon City

Special Second Division

IBEX GLOBAL SOLUTIONS (PHILIPPINES) INC., *Petitioner,*	**CTA CASE NO. 11005**
	Members:
- versus -	**RINGPIS-LIBAN,** *P.J. & Chairperson* **MODESTO-SAN PEDRO,** *and* **FERRER-FLORES,** *JJ.*
COMMISSIONER OF INTERNAL REVENUE, *Respondent.*	Promulgated:
	3:49 PM

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RESOLUTION

RINGPIS-LIBAN, *P.J.*:

Before this Court is petitioner's **Motion for Reconsideration (of the Decision promulgated on 15 July 2025)** posted on August 14, 2025 and received by the Court on August 27, 2025, without respondent's comment per Records Verification dated December 5, 2025.

On July 15, 2025, the Court promulgated a Decision denying petitioner's claim for refund of unutilized input value-added tax (VAT) in the amount of ₱8,027,577.85 for the third and fourth quarters of fiscal year ended June 30, 2022, for failure to comply with the VAT invoicing and substantiation requirements for zero-rated sales of service, the dispositive portion of which reads as follows:

> "**ACCORDINGLY**, in light of the foregoing considerations, the present *Petition for Review* is **DENIED** for lack of merit.
>
> **SO ORDERED.**"

In its Motion, petitioner assails the Court's finding that its sales of service to IBEX Global Bermuda Ltd. ("IBEX Bermuda") do not qualify for VAT zero-rating due to the lack of description of the nature of services in its VAT zero-rated official receipts (ORs) issued to IBEX Bermuda. Petitioner contends that the evidence on record, respondent's own actions, and the Rules of Evidence establish that its services to IBEX Bermuda qualify as VAT zero-rated sales as they fall under Section 108(B)(2) of the National Internal Revenue Code (NIRC) of 1997, as amended, being services "other than processing, manufacturing or repacking goods." Petitioner expounds that during the hearing on March 7, 2024, Revenue Officer Rochelle May P. Leonor confirmed that the reasons for respondent's denial of petitioner's claim for VAT refund are those indicated in Annex A of the letter dated August 17, 2022 of Assistant Commissioner Maria Luisa I. Belen.[1] However, petitioner avers that nowhere in the said Annex does it show that petitioner's services to IBEX Bermuda do not qualify as VAT zero-rated sales. As such, petitioner argues that since respondent never disputed throughout the course of trial that petitioner's sales of service to IBEX Bermuda qualify as zero-rated, respondent has judicially admitted that petitioner's services to IBEX Bermuda qualify as zero-rated sales.

Petitioner also asserts that in the case of *AT&T Communications Services Philippines, Inc. v. Commissioner of Internal Revenue,*[2] the Supreme Court held that only the preponderance of evidence threshold as applied in ordinary civil cases is needed to substantiate a claim for tax refund. In this case, petitioner maintains that there is clear preponderance of evidence that its services to IBEX Bermuda are call/contact center services and that the issued ORs thereto qualify as VAT zero-rating of export sales.

Lastly, petitioner submits that the denial of the VAT refund claim due to the lack of description of the nature of services in its VAT zero-rated official receipts contradicts the legislative intent behind VAT zero-rated sales and unjustly deprives petitioner of the incentives it is rightfully entitled to.

After due consideration, the Court finds petitioner's Motion for Reconsideration bereft of merit.

Verily, Section 8 of Republic Act (RA) No. 1125 (An Act Creating the Court of Tax Appeals) provides categorically that the Court of Tax Appeals (CTA) shall be a court of record and, as such, it is required to conduct a formal trial *(trial de novo)* where the parties must present their evidence accordingly if they desire the Court to take such evidence into consideration. While the CTA is not

[1] Exhibit "P-12", Docket pp. 90 to 96.
[2] G.R. No. 182364, August 3, 2010.

governed strictly by technical rules of evidence, as rules of procedure are not ends in themselves but are primarily intended as tools in the administration of justice, the presentation of the official receipts and/or invoices is not mere procedural technicality which may be disregarded considering that it is the only means by which the CTA may ascertain and verify the truth of respondent's claims.

Indeed, petitioner's compliance with all the VAT invoicing requirements is required to be able to file a claim for input taxes attributable to zero-rated sales.[3] The invoicing and substantiation requirements should be followed because it is the only way to determine the veracity of the taxpayer's claims.[4] As held in the assailed Decision, "[i]t must be emphasized that cases filed before this Court are litigated *de novo*. Parties are thus expected to litigate and prove every minute aspect of their case anew by presenting, formally offering, and submitting to this Court all evidence required for the successful prosecution of its claim. Thus, petitioner must show compliance with each of the foregoing requisites and invoicing requirements. **The absence of any of the requisites is already a valid ground to deny the refund claim**."[5]

Here, in trying to prove that it is engaged in zero-rated or effectively zero-rated sales under Section 108(B)(1) and (2) of the NIRC of 1997, as amended, petitioner failed to present valid zero-rated ORs to support and validate its claim, which **must** contain all the required information mandated by Section 113(A) and (B) of the NIRC of 1997, as amended, as implemented by Section 4.113-1(A) and (B) of Revenue Regulations (RR) No. 16-2005, in relation to Sections 237 and 238 of the same tax code. Perforce, it must be pointed out that compliance with all the VAT invoicing requirements provided by tax laws and regulations is mandatory.[6]

It is well-settled that tax refunds are in the nature of tax exemptions. They are regarded as derogation of sovereign authority and to be construed *strictissimi juris* against the person or entity claiming the refund.[7] The pieces of evidence presented entitling a taxpayer to an exemption are also *strictissimi* scrutinized and

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3 *JRA Philippines, Inc. v. Commissioner of Internal Revenue*, G.R. No. 171307, August 28, 2013.

4 *Nippon Express (Philippines) Corporation v. Commissioner of Internal Revenue*, G.R. No. 191495, July 23, 2018.

5 Page 9 of the Decision, Docket p. 474.

6 *Eastern Telecommunications Philippines, Inc. v. Commissioner of Internal Revenue*, G.R. No. 183531, March 25, 2015.

7 *Commissioner of Internal Revenue v. Interpublic Group of Companies, Inc.*, G.R. No. 207039, August 14, 2019; *Commissioner of Internal Revenue v. S.C. Johnson and Son, Inc.*, G.R. No. 127105, June 25, 1999.

must be duly proven.[8] Hence, an applicant for a claim for tax refund or tax credit must not only prove entitlement to the claim but also compliance with all the documentary and evidentiary requirements.[9]

In view of the foregoing disquisitions, there being no new matter or substantial issue raised by petitioner in its Motion for Reconsideration, the Court finds no compelling reason to reverse or modify the Decision promulgated on July 15, 2025.

WHEREFORE, premises considered, petitioner's Motion for Reconsideration (of the Decision promulgated on 15 July 2025) is **DENIED** for lack of merit.

SO ORDERED.

MA. BELEN M. RINGPIS-LIBAN
Presiding Justice

WE CONCUR:

MARIA ROWENA A. MODESTO-SAN PEDRO
Associate Justice

I reiterate my concurring and dissenting opinion.
CORAZON G. FERRER-FLORES
Associate Justice

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8 *Kepco Philippines Corporation v. Commissioner of Internal Revenue*, G.R. No. 179961, January 31, 2011, citing *Atlas Consolidated Mining and Development Corporation v. Commissioner of Internal Revenue*, G.R. No. 159490, February 18, 2008.

9 *Eastern Telecommunications Philippines, Inc. v. Commissioner of Internal Revenue*, G.R. No. 183531, March 25, 2015, citing *J.R.A. Philippines, Inc. v. Commissioner of Internal Revenue*, G.R. No. 171307, August 28, 2013.