CTA Form No. 8 (For DCC)

23-000029-0061

REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

SPECIAL FIRST DIVISION

CTA CASE NO. 11076

NOVARTIS HEALTHCARE PHILIPPINES, INC.,
Petitioner,

- versus -

NOTICE OF RESOLUTION

COMMISSIONER OF INTERNAL REVENUE,
Respondent.

To:

OFFICE OF THE SOLICITOR GENERAL
134 Amorsolo Street, Legazpi Village
Makati City

ATTY. SYLVIA R. ALMA JOSE
ATTY. AYESHA HANIA B. GUILING-MATANOG
ATTY. LARA NICOLE T. GONZALES
Bureau of Internal Revenue
Litigation Division, Room 703
BIR National Office Building
Sen. Miriam P. Defensor-Santiago Avenue
Diliman, Quezon City

WEIGAND AND PARTNERS
Penthouse B, GMA Lou-Bel Plaza
7514 Bagtikan Street corner Chino Roces Avenue
Brgy. San Antonio, Makati City

GREETINGS:

You are hereby notified by these presents that on **May 12, 2026,** a Resolution was rendered in the above-entitled case, copy of which is attached hereto.

Quezon City, Philippines, **May 13, 2026.**

Atty. Maria Johoanna F. Chan-Te
Executive Clerk of Court III

REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

SPECIAL FIRST DIVISION

NOVARTIS HEALTHCARE PHILIPPINES, INC., Petitioner,	**CTA Case No. 11076**
	Members:
- versus -	**BACORRO-VILLENA,** *Acting Chairperson, and* **CUI-DAVID,** ***JJ.***
COMMISSIONER OF INTERNAL REVENUE, Respondent.	Promulgated: MAY 12 2026 ; 9:05 AM

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RESOLUTION

BACORRO-VILLENA, J.:

For the Court's resolution is respondent Commissioner of Internal Revenue's (**respondent**'s/**CIR**'s) "Motion for Reconsideration (Re: Decision dated 25 November 2025)"[1] (**MR**) filed on 15 December 2025 and emailed on 16 December 2025,[2] with petitioner Novartis Healthcare Philippines, Inc.'s (**petitioner**'s) "Comment (To Respondent's [MR])"[3] (**Comment**) filed on 23 January 2026 and emailed on 25 January 2026.[4]

The instant MR assails the grant of refund to petitioner as determined in the Division Decision of 25 November 2025[5] (**assailed Decision**), which dispositive parts state –

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1 Division Docket, Volume IV, pp. 2024-2041.
2 Id., p. 2042.
3 Id., pp. 2045-2072.
4 Id., p. 2073.
5 Id., pp. 1984-2023.

...

WHEREFORE, premises considered, the present Petition for Review filed by petitioner Novartis Healthcare Philippines, Inc. on 25 January 2023 is hereby **GRANTED**.

Accordingly, respondent Commissioner of Internal Revenue is hereby **ORDERED** to refund or issue a tax credit certificate (TCC) in favor of petitioner Novartis Healthcare Philippines, Inc. in the total amount of ₱57,765,612.47, representing the erroneously paid value-added tax (VAT) on the importation of prescription drugs and medicines for diabetes and hypertension and the treatment of cancer, mental illness and diabetes which are exempted from the said tax pursuant to Section 109(AA) of the National Internal Revenue Code of 1997, as amended by Republic Act Nos. 11467 and 11534.

SO ORDERED.

...

In support of the MR, respondent reiterates the arguments previously advanced in its Memorandum and maintains that the Court is bereft of jurisdiction over the instant petition due to petitioner's failure to exhaust administrative remedies. Respondent posits that recourse to judicial remedies may be availed of only after the BIR has been duly afforded the opportunity to ascertain and investigate the veracity of the taxpayer-claimant's assertions, or upon its inaction within a reasonable period, which is deemed tantamount to a denial of the claim.

Respondent argues that it was not afforded a sufficient opportunity to examine and evaluate the administrative claim for refund. He or she points out that after petitioner filed its administrative claim on 13 January 2023, it proceeded to file a judicial claim on 25 January 2023 or merely two (2) weeks from the initial application for refund, thereby allegedly pre-empting the administrative process.

With regards to the subject input valued-added tax (**VAT**) payments, respondent further alleges that petitioner failed to prove that these pertain to the importations of the averred VAT-exempt drugs. In view of such failure of substantiation, petitioner's claim for refund must perforce fail.

In the Comment, petitioner asserts that this Court correctly ruled that both the administrative and judicial claims for refund were filed within the mandatory two (2)-year prescriptive period, and that the payment of input VAT on the imported drugs was erroneous, thereby entitling petitioner to a refund.

We resolve.

While the instant MR is timely filed within the fifteen (15)-day reglementary period[6] pursuant to Section 1,[7] Rule 15 of the Revised Rules of the Court of Tax Appeals[8] (**RRCTA**), and the email transmittal is made within the twenty-four (24)-hour period[9] as mandated by *En Banc* Resolution Nos. 08-2024[10] and 01-2025,[11] it is apparent that no new issues are raised therein. The arguments presented are a mere rehash of what have been said and reiterated in the pleadings, all of which have been considered and found without merit in the Decision now assailed.[12]

Be that as it may, it bears reiterating that it is of no moment that there is a short interval between the filing of the administrative and judicial claims. The law merely requires that both claims are filed within the two (2)-year period.[13] Although We acknowledge that CIR may not have been afforded sufficient opportunity to act on the matter due to the brief interval between the filing of the two (2) claims, the absence of a clear statutory standard defining what constitutes a reasonable period for the CIR to resolve tax refund claims cannot be remedied through

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6 The Office of the Solicitor General (**OSG**) received the Decision of 25 November 2025 on 01 December 2025. Counting fifteen (15) days therefrom, respondent had until 16 December 2025 to file the motion for reconsideration (**MR**). The MR was filed on 15 December 2025; thus, it is deemed filed within the proper period. See Notice of Decision dated 28 November 2025, Division Docket, Volume IV, p. 1983-A.

7 **SECTION 1.** *Who May and When to File Motion.* — Any aggrieved party may seek a reconsideration or new trial of any decision; resolution or order of the Court. He shall file a motion for reconsideration or new trial within fifteen days from the date he received notice of the decision, resolution or order of the Court in question.

8 A.M. No. 05-11-07-CTA.

9 Supra at note 5.

10 Guidelines on Submission of Electronic Copies of Pleadings and Other Court Submissions Before the Court of Tax Appeals Pursuant to A.M. No. 10-3-7-SC and A.M. No. 11-9-4-SC.

11 Interim Guidelines on the Submission of Electronic Copies of Pleadings and Other Court Submissions Before the Court of Tax Appeals.

12 See *Heirs of Antonio Pael et al., v. Court of Appeals et al.*, G.R. No. 133547, 07 December 2001.

13 *Commissioner of Internal Revenue v. Estate of Mr. Charles Marvin Romig, represented by its sole heir Mrs. Maricel Narciso Romig*, G.R. No. 262092, 09 October 2024.

judicial interpretation. Such a gap or insufficiency in the law is a matter of legislative policy.[14]

With respect to respondent's second claim—that petitioner failed to establish that the input VAT pertains to the imported drugs (prescribed for the treatment of a particular illness)—We find the contention unsubstantiated. Aside from the bare assertions, respondent did not specifically identify which documentary evidence was allegedly insufficient to support such claim. Consequently, the argument lacks the requisite factual and legal basis to merit consideration.

Further, it would be futile on Our part to repeat our disquisition in the assailed Decision given that respondent failed to present issues that would warrant the re-examination of the findings therein.[15] It is settled that the Court can deal generally and summarily with an MR and merely state a legal ground for its denial (*i.e.*, the motion contains merely a reiteration or rehash of arguments already submitted to and pronounced without merit by the Court in its judgment, or the basic issues have already been passed upon, or the motion discloses no substantial argument or cogent reason to warrant reconsideration or modification of the judgment or final order; or the arguments in the motion are too unsubstantial to require consideration, etc.).[16]

WHEREFORE, premises considered, respondent Commissioner of Internal Revenue's "Motion for Reconsideration (Re: Decision dated 25 November 2025)" filed on 15 December 2025 and emailed on 16 December 2025 is hereby **DENIED** for lack of merit.

SO ORDERED.

JEAN MARIE A. BACORRO-VILLENA
Associate Justice

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14 See *Commissioner of Internal Revenue v. Carrier Air Conditioning Philippines, Inc.*, G.R. No. 226592, 27 July 2021.

15 See *Shangri-La International Hotel Management Ltd., et al. v. Developers Group of Companies*, Inc., G.R. No. 159938, 22 January 2007.

16 See *Ortigas and Company Limited Partnership v. Judge Tirso Velasco, et al.*, G.R. No. 109645 (Resolution), 04 March 1996.

I CONCUR:

LANEE S. CUI-DAVID
Associate Justice