CTA Form No. 8

21-000355-0098

REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

SPECIAL FIRST DIVISION

CTA CASE NO. 10611

PILIPINAS SHELL PETROLEUM CORPORATION,
Petitioner,

- versus -

COMMISSIONER OF INTERNAL REVENUE,
Respondent.

NOTICE OF AMENDED DECISION

To:

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

ATTY. AYESHA HANIA B. GUILING-MATANOG
ATTY. CLARISSA J. VIRTUDES-BABARAN
Bureau of Internal Revenue
Room 703, Litigation Division, BIR National Office Building
Sen. Miriam P. Defensor-Santiago Avenue
Diliman, Quezon City

LAYUG CELICIOUS-SY & VILLAPANDO
Unit 503, 5th Floor, The Linden Suites
37 San Miguel Avenue, Ortigas Center
1600 Pasig City

GREETINGS:

You are hereby notified by these presents that on **February 27, 2026,** an Amended Decision was rendered in the above-entitled case, copy of which is attached hereto.

Quezon City, Philippines, **March 2, 2026.**

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

REPUBLIC OF THE PHILIPPINES
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PILIPINAS SHELL PETROLEUM CORPORATION,
Petitioner,

-versus-

COMMISSIONER OF INTERNAL REVENUE,
Respondent.

CTA CASE NO. 10611

Members:

BACORRO-VILLENA, *Acting Chairperson, and*
CUI-DAVID, *JJ.*

Promulgated:

FEB 2 7 2026; 3:30PM

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AMENDED DECISION

CUI-DAVID, J.:

For the Court's resolution are the following:

1. Respondent's ***Motion for Reconsideration (Re: Decision promulgated 26 June 2025),*** filed on July 14, 2025, with petitioner's *Comment/Opposition [Re: Respondent's Motion for Reconsideration dated July 7, 2025],* belatedly filed on September 17, 2025; and,

2. Petitioner's ***Motion for Partial Reconsideration*** filed and emailed on July 24, 2025, with respondent's *Opposition (re: Motion for Reconsideration of the Decision dated 26 June 2025),* filed on September 15, 2025.

Both respondent's *Motion for Reconsideration* and petitioner's *Motion for Partial Reconsideration* assail the *Decision* of the Court promulgated on June 26, 2025 (assailed *Decision*), which partially granted the *Petition for Review.* The dispositive portion of the assailed *Decision* reads:

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> **WHEREFORE**, in light of the foregoing, the instant *Petition for Review* is **PARTIALLY GRANTED**.
>
> Accordingly, respondent is **ORDERED TO REFUND OR ISSUE A TAX CREDIT CERTIFICATE** in favor of petitioner in the amount of **₱207,765,676.00**, representing excise taxes paid from August 2019 to January 2020 on Jet A-1 fuel sold to international air carriers for use or consumption outside the Philippines during the period from September 2019 to August 2020.
>
> **SO ORDERED.**

In his *Motion for Reconsideration*, respondent argues that tax refunds partake of the nature of tax exemptions; therefore, there must be a categorical and express provision of law allowing tax refunds. Respondent argues that the exemption under Section 135 of the National Internal Revenue Code (**NIRC**) of 1997, as amended, pertains to petitioner's buyers, and not to petitioner itself.

In its *Comment/Opposition*, petitioner argues that respondent's arguments are a mere rehash of what respondent has already argued in its *Answer* and *Memorandum*. Petitioner thus states that respondent's *Motion for Reconsideration* is a pro-forma motion that must be denied outright. Petitioner also states that it has already been settled that the excise tax payments partake of the character of an illegally or erroneously paid taxes.

In its *Motion for Partial Reconsideration*, petitioner argues that a witness may testify to the contents of a document when the original is unavailable, noting its Mandaue Official Register Books (**ORBs**) were destroyed during the onslaught of Typhoon Odette. According to petitioner, what was presented were printed copies of the Excel sheets, which were unsigned by the Revenue Officer On Premise (**ROOP**).

Petitioner further asserts that, notwithstanding the absence of Foreign Air Carrier's Permits (**FACPs**) for a number of air carriers, the Aviation Service Returns (**ASRs**), Civil Aviation Authority of the Philippines (**CAAP**) certification, and Department of Foreign Affairs (**DFA**) certification sufficiently establish that the Jet A-1 fuel sold to these air carriers was consumed outside the Philippines.

In his *Opposition*, respondent heavily quotes the assailed Decision insofar as the Court disallowed the refund of excise tax on sale of petroleum products to airlines not listed in the Certification issued by the Civil Aeronautics Board (**CAB**). He closes his opposition by stating that tax refunds are in the nature of exemptions which must be strictly construed against the claimant.

The Court resolves.

I. *Respondent's Motion for Reconsideration*

Anent respondent's *Motion for Reconsideration*, the Court reaffirms its findings that petitioner is entitled to a refund under Section 135 of the NIRC of 1997, as amended.

With the enactment of Republic Act (**RA**) No. 12066 (CREATE MORE), Section 135-A was introduced into the NIRC, expressly recognizing that suppliers who have paid excise taxes on petroleum products covered by the exemption under Section 135 may seek a refund or credit thereof, subject to compliance with the prescribed administrative requirements and periods, *viz.:*

> SEC. 135-A. Refund of Excise Tax on Petroleum Products. — No refund or credit of excise tax paid by suppliers on otherwise exempt sales under Section 135 shall be allowed, unless the taxpayer files a written claim for refund with the Commissioner, within two (2) years after the payment of excise tax: Provided, however, That a return filed showing an overpayment shall be considered a written claim for refund.
>
> The Commissioner shall process and decide the refund under this provision within ninety (90) days from the submission of complete documents supporting the application filed. Should the Commissioner deny the claim for refund in full or in part, the Commissioner shall communicate in writing to the taxpayer, the legal and/or factual basis for the denial.
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> The taxpayer shall have fifteen (15) days from receipt of the denial to file a request for reconsideration, which shall be resolved by the Commissioner within fifteen (15) days from the receipt thereof. Failure to file a request for reconsideration within the fifteen (15)-day period shall render the decision final.
>
> In case of full or partial denial of the request for reconsideration, or failure on the part of the Commissioner to act on the application for refund or request for reconsideration

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> within the periods prescribed above, the taxpayer affected may, within thirty (30) days from the receipt of the decision denying the request for reconsideration, or after the lapse of the period to decide on the application for refund or request for reconsideration, in cases where no action is made by the Commissioner, appeal the decision with the Court of Tax Appeals.
>
> Failure on the part of any official agent or employee of the BIR to process and decide on the application within the ninety (90)-day period and on the request for reconsideration within the fifteen (15)-day period shall be punishable under Section 269 of this Code.

Although the procedural periods under Section 135-A do not govern the present case, CREATE MORE having taken effect only on November 28, 2024, the enactment of the provision nevertheless affirms that excise taxes paid on sales that are exempt under Section 135 are refundable, subject to statutory compliance.

Even before CREATE MORE, the Supreme Court had consistently allowed sellers of petroleum products to international carriers to seek refunds of excise taxes paid on such exempt sales. In *Commissioner of Internal Revenue v. Philippine Airlines, Inc.,* [1] and *Pilipinas Shell Petroleum Corporation v. Commissioner of Internal Revenue* (***PSPC***),[2] the Supreme Court upheld the refundability of excise taxes paid on petroleum products sold to international carriers, consistent with the nature of the exemption under Section 135.

Finally, to dispel any remaining doubt, the Court quotes the Supreme Court's pronouncement characterizing the exemption under Section 135 of the NIRC of 1997 as an **impersonal tax exemption**, thus:

> III.
>
> At its core, the purpose of a grant of tax exemption is "some public benefit or interest, which the law-making body considers sufficient to offset the monetary loss entailed in the grant of the exemption." However, the object of the grant of tax exemption is not necessarily a natural person similar to how "the objects of taxation are either persons, property[,] and property rights within the jurisdiction of the taxing authority." As such, generally speaking, the object of tax exemptions may either be personal or impersonal. Personal exemptions

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1 G.R. Nos. 245330-31, April 1, 2024 [Per J. Dimaampao, Third Division].
2 G.R. No. 211303, June 15, 2021 [Per J. Perlas-Bernabe, *En Banc*].

conceptually pertain to those "granted directly in favor of such persons as are within the contemplation of the law granting the exemption." On the other hand, an impersonal exemption may be said to exist when a tax exemption is "granted directly in favor of a certain class of property." If the tax exemption is impersonal in nature, then, regardless of who transacts with the property, the exemption should still apply. This framework of personal and impersonal tax exemptions underpins the exemption granted under Section 135 on excisable articles.

Notably, the Court, in the *2014 Pilipinas Shell* Resolution, stated that the "exemption from payment of excise tax" under Section 135 is "conferred on international carriers who purchased the petroleum products of respondent"; thus, in said case, the tax exemption under Section 135 covering said products was characterized as a grant of a personal tax exemption.

However, in the subsequent case of *2015 Chevron*, the Court effectively abandoned the foregoing characterization, and instead, correctly categorized that the tax exemption under Section 135 is "in favor of the petroleum products on which the excise tax was levied in the first place." As such, the Court, in *2015 Chevron*, validated the nature of Section 135 as a provision conferring an impersonal tax exemption, which, in fact, cogently squares with the nature of excise taxes being a tax on property, rather than a tax on persons.

Being an impersonal tax exemption, Section 135 cannot be therefore interpreted as an exemption primarily conferred to the buyers because "they are not under any legal duty to pay the excise tax." To reiterate, upon the buyers' purchase of the articles, the "excise tax" they pay, if any, is, in reality, a mere passed-on cost that forms part of the purchase price. Hence, while purchasers bear the economic burden, they do not, by the mere fact of assuming the passed-on costs, become legally regarded as statutory taxpayers. In this regard, Associate Justice Henri Jean Paul B. Inting aptly observed that "a tax immunity would lose its meaning if we insist that it is available only to a person who, in the first place, has no obligation to pay the tax due on the subject article/transaction. It can only be enjoyed in its truest sense by the person who is liable for the tax and wishes to be immune from therefrom."

The impersonal nature of the tax exemption is also expressed in the wording itself of Section 135:

. . . .

As worded, the object of Section 135 itself is not the enumerated persons but rather, the "petroleum products sold." Palpably, based on Section 135's phraseology, the

> enumerated persons are merely descriptive of the petroleum products, i.e., the persons to which the products are sold to. As such, the wording of Section 135 hews more closely with the character of impersonal tax exemptions, which is, in turn, consistent with the nature of excise taxes as taxes not on persons but on the goods/articles. As equally observed by Associate Justice Alfredo Benjamin S. Caguioa, "[t]he succeeding paragraphs (a), (b), and (c) do not confer nor refer to the tax exemption. Paragraphs (a), (b)[,] and (c) simply enumerate and describe the entities to whom petroleum products must be sold to make the excise tax exemption operative."[3]

The *PSPC* case continues to discuss the seller's standing to file a claim for refund, *viz.*:

> IV.
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> At this juncture, it is likewise relevant to mention that since an excise tax is in the nature of a property tax, it is thus erroneous to consider the operation of a tax exemption thereto in the same way as a transactional tax, wherein every purchaser and seller may be considered as a statutory taxpayer for every succeeding transaction, only ending with the final consumer. Rather, the exemption under Section 135 must be reconciled with the idea that liability for the tax attaches to the articles as soon as they come into existence or immediately upon importation.
>
> The Court, in the *2015 Chevron*, had already settled that the true status of the goods, whether ultimately taxable or tax-exempt, is actually conditional or subject to confirmation upon the sale of the articles to any of the entities enumerated under Section 135.
>
> . . . .
>
> As may be gleaned from Section 131 . . . although certain articles may be free from excise taxes upon importation, they may subsequently become subject to the same depending on the subsequent buyer. This is essentially the same principle of subsequent confirmation espoused by the 2015 Chevron, and is also a necessary consequence of excise tax being a property tax, and not a tax on persons.
>
> Considering that the status of the petroleum products as tax-exempt solidifies upon the sale to any of the entities enumerated under Section 135, any excise taxes which were previously paid thereon would then be considered as "erroneously or illegally collected," and therefore, subject to

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[3] *Pilipinas Shell Petroleum Corporation v. Commissioner of Internal Revenue*, G.R. No. 211303, June 15, 2021 [Per J. Perlas Bernabe, *En Banc*].

refund. In turn, the petroleum products become exempt from excise taxes once it is determined that they are to be sold to, among others, international carriers. This reflects Section 135's wording, i.e., that the petroleum products are considered as tax-exempt once they are "sold to [inter alia] x x x [i]nternational carriers."

Based on (a) the nature of excise taxes as a property tax and an indirect tax, and (b) the principle that a buyer, when shouldering the tax burden, does not become the statutory taxpayer, it is thus clear that the purchaser of local products (such as international carriers) cannot be deemed to have been conferred a tax exemption when it has not been imposed a tax liability. In the ordinary course of things, international carriers do not manufacture or import petroleum products and hence, are not statutory taxpayers to which the exemption under Section 135 could pertain. If anything, international carriers merely bear the tax burden when the costs therefor are passed on to them by the actual manufacturers or importers. However, as earlier discussed, the "passing on" of the tax burden is largely a contractual affair between the parties and should not determine the tax incidence imposed by law unless the contrary is provided. As such, the tax exemption under Section 135 must correspondingly benefit the one who actually bears the liability to pay the same (i.e., the importers/manufacturers of petroleum products sold to international carriers, among others), and not the one who simply bears the economic burden thereof (i.e., the purchasers of the products, such as international carriers).

V.

Prefaced by these foundational principles, the ponencia now deems it fit to address the minority's contrary position in this case that Section 135 instead confers a "tax exemption" in favor of international carriers, among others, and not the actual statutory taxpayers, i.e., the importers/manufacturers of petroleum products sold to international carriers.

For ready reference, the crux of the dissents may be condensed into the following contentions:

a. Tax exemptions are strictly construed against the taxpayer. To claim exemption, there must be a clear conferral by law. Here, nowhere in the text of the relevant provisions of the Tax Code can it be found that a tax exemption was conferred to manufacturers/importers of petroleum products. Rather, the law clearly imposes excise taxes upon their importation of the said articles. Hence, the same cannot be deemed erroneously or illegally collected.

b. The proper interpretation based on the clear text of Section 135 of the Tax Code is that the exemption is granted to the entities enumerated. Hence, the manufacturer/importers should be deemed as simply prohibited to pass on the burden of the excise taxes to the said entities.

c. The rationale of the Court in the 2014 Pilipinas Shell Resolution that not granting the refund would result in a possible violation of the Philippines' treaty obligations is speculative at best and cannot form the basis of a claim for refund.

As to the first contention, it has been earlier discussed that the manufacturer's/importer's right to claim a refund for petroleum products sold to international carriers is actually supported by the text of Section 135 of the Tax Code. To repeat, Section 135 states that "[p]etroleum products sold to the following are exempt from excise tax." Hence, while the law does not explicitly state who should benefit from this impersonal tax exemption, it is nonetheless clear that the tax exemption must correspondingly benefit the statutory taxpayer, *i.e.*, the petroleum products' manufacturers/importers, and not any of the enumerated entities in Section 135 of the Tax Code (*e.g.*, international carriers), who, in the first place, do not bear the tax incidence of the excise taxes, but only bear the tax burden from passed-on costs. Thus, while the general rule is that tax exemptions and tax refunds should be strictly construed against the taxpayer, this general rule does not apply in this case as the conferral thereof in favor of the petroleum products' manufacturers/importers is made clear by the provision's reasonable interpretation bearing in mind the nature of excise taxes.

With respect to the second contention, it has already been clarified that the entities enumerated under Section 135 only bear the tax burden of the excise taxes paid by the manufacturer/importer. This tax burden is a component cost that forms part of the purchase price of the excisable goods, which are merely passed on. To stress, the passing-on of the tax-burden is largely a contractual affair between the parties. Hence, the tax exemption under Section 135 does not — as it could not — pertain to a prohibition barring the parties from engaging in the "passing-on" of the tax burden which is but a contractual affair. Instead, Section 135 must be construed as a tax exemption which favors the statutory taxpayer of the excisable articles, i.e., the manufacturer/importer of the petroleum products which are sold to international carriers, among others.

Besides, the theory that Section 135 (a) should be interpreted as merely prohibiting the passing on of the excise taxes to international carriers is anathema to the apparent intent behind the tax exemption.

To expound, as explained by the Court in the 2014 Pilipinas Shell Resolution, Section 135 (a) represents "our Government['s] compliance with the Chicago Convention, its subsequent resolutions/annexes, and the air transport agreements entered into by the Philippine Government with various countries." "The exemption from excise tax of aviation fuel purchased by international carriers for consumption outside the Philippines fulfills a treaty obligation pursuant to which our Government supports the promotion and expansion of international travel through avoidance of multiple taxation and ensuring the viability and safety of international air travel."

To restrict Section 135 (a) to benefit only international carriers (despite not even being statutory taxpayers) would clearly prejudice manufacturers or importers as they are now effectively prohibited from recouping the cost of excise taxes from their sale of petroleum products to international carriers. As such, the logical impact is for them to inflate other component costs, else they suffer losses or at least render their businesses unprofitable. This, in turn, would result in a selective treatment by international carriers to purchase their fuel from low-tax/tax-free jurisdictions, ultimately stifling international air travel, contrary to the policy sought to be advanced by the grant of tax exemption. In this relation, it is apt to note that in the same 2014 Pilipinas Shell Resolution, the Court pointed out that:

> Without any international agreement on taxing fuel, it is highly likely that moves to impose duty on international flights, either at a domestic or European level, would encourage 'tankering': carriers filling their aircraft as full as possible whenever they landed outside the EU to avoid paying tax. Clearly this would be entirely counterproductive. Aircraft would be travelling further than necessary to fill up in low-tax jurisdictions; in addition they would be burning up more fuel when carrying the extra weight of a full fuel tank.

These sentiments are also practically echoed by Associate Justice Mario V. Lopez, opining that "it is erroneous to say that Section 135 should be construed as a prohibition on the manufacturers, producers, and importers from passing on the tax burden in the form of an addition to price to the international carriers and exempt entities because the sellers may nonetheless increase the selling price in the guise of additional margin if only to cover the excise tax that could not be shifted. It must be borne in mind that the manufacturers,

> producers, or importers turned sellers ultimately determine the price they will sell the products."
>
> And finally, in response to the third contention, it must be clarified that the *ponencia* does not assert that the exemption, and the consequent right to refund, should be granted based on some hypothetical violation of treaty obligations. Rather, the *ponencia* merely recognizes that the present reading of Section 135 is more attune to the ratio legis of the provision as above-stated. It is well-settled that in reading the law, the Court must give life to the ratio behind the same because "[t]he intention of the legislature in enacting a law is the law itself, and must be enforced when ascertained, although it may not be consistent with the strict letter of the statute." To interpret Section 135 as a mere prohibition against "passing-on" — as the minority does — is not only incongruent with the nature and workings of excise taxes, it would also defeat the spirit and intent behind the tax exemption — that is, "the promotion and expansion of international travel through avoidance of multiple taxation and ensuring the viability and safety of international air travel." [4]

Accordingly, the Court finds no cogent reason to depart from its earlier ruling. Respondent's *Motion for Reconsideration* is thus **DENIED**.

II. *Petitioner's Motion for Partial Reconsideration*

Petitioner's *Motion for Partial Reconsideration* is partially meritorious.

In the assailed *Decision*, the Court noted petitioner's failure to present the signed Mandaue ORBs, *viz.*:

> However, upon scrutiny of the ORBs submitted, the Court found that the Mandaue ORBs for September 2019, January 2020, and August 2020 do not carry the signature of the ROOP. In justifying the non-presentation of the original copies of the subject ORBs covering the sales of Jet A-1 fuel to international air carriers from TOGRI for September 2019 and from January 2020 to August 2020, Ms. Flores explains that the original copies of the same had been lost because of the flood brought about by super typhoon Odette and, as such, petitioner was only able to retrieve the soft copies of excel sheets containing the figures and information of the lost ORBs.

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4 *Id.*

> Considering that the receipts and removals of Jet A-1 fuel at Tabangao Refinery, Pandacan installation, JOCASP, and CASI are indicated in the ORBs prepared by both the ROOP and petitioner's representative, **petitioner should have presented any proof showing the concurrence of the ROOP who signed the same or should have obtained certified true copies of the ORBs from the BIR where the same are being filed so that the Court can verify petitioner's allegations relating to the information reflected in the said ORBs. Due to such failure, the Court cannot rely on the submitted ORBs in the present case.** Consequently, We have no recourse but to disallow the ORBs covering the sales of Jet A-1 fuel to international air carriers from TOGRI for September 2019 and from January 2020 to August 2020. (Emphasis and underscoring supplied)

While petitioner presented Berenice Angelique L. Flores, who testified by way of her *Supplemental Judicial Affidavit* on the existence of the Mandaue ORBs, the circumstances surrounding their loss, and the accuracy of the contents of the reproduced ORBs, her testimony does not sufficiently establish the ROOP's concurrence with the contents thereof.

The closest testimony on the matter, Q15/A15 of her *Supplemental Judicial Affidavit*, merely attests to the accuracy of the Excel-printed ORB vis-à-vis the Mandaue ORB, but does not establish that the ROOP reviewed, approved, or concurred in the entries reflected therein, *viz.*:

> Q-15: How do you know these are indeed a faithful recording of the ORBs?
>
> A-15: It is standard procedure in the regular course of business for petitioner to record all documents and reports pertaining to importation receipts, withdrawals and removals of fuels using Excel sheets, Word document and PDF copies of originals or machine copies. For ORBs, the records of reports pertaining thereto are saved as Excel sheets prior to printing. The unsigned reports are the ones printed and signed by the Terminal Manager prior to the approval of the ROOP. I know that the Excel sheets are a faithful recording of the ORBs because the contents thereof tie-up or are consistent with other records of PSPC, including information contained in PSPC's computerized accounting system (CAS) which has a permit from the Bureau of Internal Revenue.

To reiterate the assailed *Decision*, petitioner should have presented proof of the ROOP's concurrence, or at the very least, secured certified true copies of the ORBs from the BIR, where such records are officially filed. Absent such corroboration,

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petitioner failed to discharge its evidentiary burden with respect to the affected transactions.

Petitioner further contends that, notwithstanding the absence of FACPs for several air carriers, the ASRs, CAAP Certification, and DFA Certification adequately establish that the Jet A-1 fuel sold to these air carriers was consumed outside the Philippines.

The Court finds merit in petitioner's contention.

To be entitled to a refund, petitioner must establish the following:

1. Proof that the imported and locally manufactured Jet A-1 fuel sold to international air carriers was stored in a bonded storage tank, and had been disposed of in accordance with the rules and regulations;

2. Proof of foreign registry of the international air carriers, or in case of Philippine-registered air carriers, the latter's proof of authority to operate international flights; and

3. Proof that the imported and locally manufactured Jet A-1 fuel was used or consumed outside the Philippines.

The presentation of ASRs relates to the third requisite, i.e., proof that Jet A-1 fuel was used or consumed outside the Philippines.

The absence of the FACP affects the second requisite, *i.e.*, proof of the carrier's foreign registry, or authority to operate international flights.

Nonetheless, the Court finds merit in petitioner's argument that the CAAP Certification suffices to prove the second requisite, i.e., proof of foreign registry of the international air carriers, or in the case of Philippine-registered air carriers, the latter's proof of authority to operate international flights.

An FACP is a permit issued by the Civil Aeronautics Board and approved by the President of the Philippines, authorizing a foreign carrier to engage in foreign air transportation.[5] An FACP, as required by Civil Aeronautics Board Economic Regulation No. 1, is a condition *sine qua non* before any foreign carrier is granted operating rights.[6] While such permit is a regulatory prerequisite for operating rights in the Philippines, the grant of operating rights in the Philippines **is not among** the statutory requisites for entitlement to refund under Section 135.

To reiterate, petitioner is required only to prove the foreign registry of the international air carriers, or in the case of Philippine-registered carriers, their authority to operate international flights. This requirement does not extend to proving their operating rights within the Philippines.

In the instant case, petitioner presented a CAAP Certification dated February 22, 2022,[7] confirming the countries of registration of the international air carriers to whom it sold and delivered the Jet A-1 fuel subject of the present claim, based on the aircraft registration codes provided by the carriers and reflected in the ASRs.

Accordingly, a recomputation of the refundable amount is in order.

In the assailed *Decision*, the Court disallowed the amount of **₱2,023,628.00** representing excise taxes on Jet A-1 fuel sold to airlines without a valid FACP. The disallowed amount is broken down as follows:

Exhibit	**Date**	**ASR No.**	**Customer**	**Volume in Liters**	**Excise Tax Rate at ₱4.00**
B. Excise taxes on sale of Jet A-1 fuel to airlines without valid FACP					
"P-106-1052b"	Oct. 3, 2019	0000122	AIRASIA X BERHAD	33,751	135,004.00
"P-106-1384b"	Oct. 9, 2019	0000331	AIRASIA X BERHAD	9,858	39,432.00
"P-106-402b"	Sep. 20, 2019	53360	ATLAS AIR INC	31,990	127,960.00
"P-106-403b"	Sep. 20, 2019	53362	ATLAS AIR INC	28,940	115,760.00
"P-106-691b"	Sep. 26, 2019	53389	ATLAS AIR INC	42,000	168,000.00
"P-106-692b"	Sep. 26, 2019	53390	ATLAS AIR INC	18,730	74,920.00
"P-106-2225b"	Nov. 14, 2019	0002217	ATLAS AIR INC	37,760	151,040.00
"P-106-2109b"	Oct. 29, 2019	0001118	EUROWINGS GMBH	40,000	160,000.00

5 Rule I, Par. 1.3.11, Implementing Rules and Regulations of Executive Order 29, Series of 2011 Re: Civil Aviation, IRR-EO 29, May 2, 2011.
6 *Id.*, Rule III, Par. 3.1.
7 Exhibit "P-99-1", Docket – Vol. III, pp. 1396–1421.

Exhibit	Date	ASR No.	Customer	Volume in Liters	Excise Tax Rate at ₱4.00
"P-106-2110b"	Oct. 29, 2019	0001158	EUROWINGS GMBH	40,000	160,000.00
"P-106-1619b"	Oct. 2, 2019	0002513	SCOOT TIGERAIR PTE LTD	3,400	13,600.00
"P-106-1620b"	Oct. 4, 2019	0002529	SCOOT TIGERAIR PTE LTD	2,420	9,680.00
"P-106-1621b"	Oct. 5, 2019	0002536	SCOOT TIGERAIR PTE LTD	2,389	9,556.00
"P-106-1622b"	Oct. 6, 2019	0002546	SCOOT TIGERAIR PTE LTD	1,049	4,196.00
"P-106-1623b"	Oct. 7, 2019	0002553	SCOOT TIGERAIR PTE LTD	1,527	6,108.00
"P-106-1624b"	Oct. 11, 2019	0002585	SCOOT TIGERAIR PTE LTD	5,069	20,276.00
"P-106-1625b"	Oct. 12, 2019	0002590	SCOOT TIGERAIR PTE LTD	1,954	7,816.00
"P-106-1626b"	Oct. 13, 2019	0002601	SCOOT TIGERAIR PTE LTD	823	3,292.00
"P-106-2101b"	Oct. 14, 2019	0002608	SCOOT TIGERAIR PTE LTD	2,531	10,124.00
"P-106-2102b"	Oct. 16, 2019	0002625	SCOOT TIGERAIR PTE LTD	2,145	8,580.00
"P-106-2103b"	Oct. 18, 2019	0002640	SCOOT TIGERAIR PTE LTD	3,497	13,988.00
"P-106-2104b"	Oct. 20, 2019	0002657	SCOOT TIGERAIR PTE LTD	3,367	13,468.00
"P-106-2105b"	Oct. 21, 2019	0002663	SCOOT TIGERAIR PTE LTD	1,460	5,840.00
"P-106-2106b"	Oct. 25, 2019	0002692	SCOOT TIGERAIR PTE LTD	7,475	29,900.00
"P-106-2107b"	Oct. 26, 2019	0002699	SCOOT TIGERAIR PTE LTD	7,262	29,048.00
"P-106-2108b"	Oct. 27, 2019	0002708	SCOOT TIGERAIR PTE LTD	7,869	31,476.00
"P-106-2140b"	Oct. 28, 2019	0002715	SCOOT TIGERAIR PTE LTD	2,985	11,940.00
"P-106-2141b"	Oct. 30, 2019	0002730	SCOOT TIGERAIR PTE LTD	5,688	22,752.00
"P-106-2236b"	Nov. 1, 2019	0002745	SCOOT TIGERAIR PTE LTD	3,941	15,764.00
"P-106-2237b"	Nov. 2, 2019	0002757	SCOOT TIGERAIR PTE LTD	2,771	11,084.00
"P-106-2238b"	Nov. 3, 2019	0002762	SCOOT TIGERAIR PTE LTD	4,387	17,548.00
"P-106-2239b"	Nov. 4, 2019	0002769	SCOOT TIGERAIR PTE LTD	6,147	24,588.00
"P-106-2517b"	Nov. 30, 2019	0002977	SCOOT TIGERAIR PTE LTD	6,607	26,428.00
"P-106-2586b"	Dec. 1, 2019	0002982	SCOOT TIGERAIR PTE LTD	7,283	29,132.00
"P-106-2587b"	Dec. 2, 2019	0002989	SCOOT TIGERAIR PTE LTD	8,008	32,032.00
"P-106-2588b"	Dec. 4, 2019	0003004	SCOOT TIGERAIR PTE LTD	7,681	30,724.00
"P-106-2589b"	Dec. 6, 2019	0003020	SCOOT TIGERAIR PTE LTD	7,426	29,704.00
"P-106-2590b"	Dec. 7, 2019	0003031	SCOOT TIGERAIR PTE LTD	7,846	31,384.00
"P-106-2591b"	Dec. 8, 2019	0003037	SCOOT TIGERAIR PTE LTD	5,232	20,928.00

Exhibit	Date	ASR No.	Customer	Volume in Liters	Excise Tax Rate at ₱4.00
"P-106-2592b"	Dec. 9, 2019	0003045	SCOOT TIGERAIR PTE LTD	8,069	32,276.00
"P-106-2593b"	Dec. 11, 2019	0003059	SCOOT TIGERAIR PTE LTD	10,103	40,412.00
"P-106-749b"	Sep. 24, 2019	194102	SHELL AIRCRAFT LIMITED	1,953	7,812.00
"P-106-2070b"	Oct. 27, 2019	0002712	TIGERAIR TAIWAN CO LTD	1,751	7,004.00
"P-106-2178b"	Nov. 1, 2019	0002749	TIGERAIR TAIWAN CO LTD	2,576	10,304.00
"P-106-2179b"	Nov. 3, 2019	0002766	TIGERAIR TAIWAN CO LTD	2,051	8,204.00
"P-106-2543b"	Dec. 1, 2019	0002986	TIGERAIR TAIWAN CO LTD	3,391	13,564.00
"P-106-2544b"	Dec. 4, 2019	0003008	TIGERAIR TAIWAN CO LTD	2,178	8,712.00
"P-106-2545b"	Dec. 6, 2019	0003024	TIGERAIR TAIWAN CO LTD	5,593	22,372.00
"P-106-2546b"	Dec. 8, 2019	0003041	TIGERAIR TAIWAN CO LTD	2,149	8,596.00
"P-106-1343b"	Oct. 2, 2019	0002509	TIGERAIR TAIWAN CO. LTD	1,499	5,996.00
"P-106-1344b"	Oct. 4, 2019	0002525	TIGERAIR TAIWAN CO. LTD	2,525	10,100.00
"P-106-1345b"	Oct. 6, 2019	0002542	TIGERAIR TAIWAN CO. LTD	2,272	9,088.00
"P-106-1346b"	Oct. 7, 2019	0002550	TIGERAIR TAIWAN CO. LTD	5,863	23,452.00
"P-106-1347b"	Oct. 9, 2019	0002565	TIGERAIR TAIWAN CO. LTD	6,664	26,656.00
"P-106-1714b"	Oct. 10, 2019	0002572	TIGERAIR TAIWAN CO. LTD	7,716	30,864.00
"P-106-1715b"	Oct. 11, 2019	0002581	TIGERAIR TAIWAN CO. LTD	7,722	30,888.00
"P-106-1716b"	Oct. 13, 2019	0002596	TIGERAIR TAIWAN CO. LTD	1,240	4,960.00
"P-106-1717b"	Oct. 14, 2019	0002606	TIGERAIR TAIWAN CO. LTD	1,164	4,656.00
"P-106-1718b"	Oct. 16, 2019	0002621	TIGERAIR TAIWAN CO. LTD	6,541	26,164.00
"P-106-1719b"	Oct. 18, 2019	0002637	TIGERAIR TAIWAN CO. LTD	4,785	19,140.00
"P-106-2069b"	Oct. 20, 2019	0002653	TIGERAIR TAIWAN CO. LTD	4,834	19,336.00
			Total	***505,907***	***₱ 2,023,628.00***

In light of the foregoing clarification, the disallowance of ₱2,023,628.00 on this ground must be reversed. Accordingly, a recomputation of the refundable amount is warranted.

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The refundable amount is thus adjusted to **₱209,789,304.00**, computed as follows:

Particulars	**Volume in Liters**	**Amount of Excise Taxes Paid at ₱4.00**
Volume/Amount of Excise Tax Claim per Petition for Review	57,834,665	₱231,338,660.00
Less: Sales of Jet A-1 fuel to international airlines with valid FACP but sold from TOGRI on September 2019 and January to August 2020	5,028,015	-20,112,060.00
Sales of Jet A-1 fuel sold to airlines without valid FACP and sold from TOGRI on September 2019 and January to August 2020	359,324	-1,437,296.00
Volume/ Amount of Refundable Excise Taxes	**52,447,326**	**₱209,789,304.00**

WHEREFORE, premises considered, respondent's *Motion for Reconsideration (Re: Decision promulgated 26 June 2025)* is hereby **DENIED** for lack of merit.

On the other hand, petitioner's ***Motion for Partial Reconsideration*** is **PARTIALLY GRANTED**. The dispositive portion of the Court's *Decision* dated June 26, 2025 is **AMENDED** to read as follows:

> **WHEREFORE**, in light of the foregoing, the instant *Petition for Review* is **PARTIALLY GRANTED**.
>
> Accordingly, respondent is **ORDERED TO REFUND OR ISSUE A TAX CREDIT CERTIFICATE** in favor of petitioner in the amount of **₱209,789,304.00**, representing excise taxes paid from August 2019 to January 2020 on Jet A-1 fuel sold to international air carriers for use or consumption outside the Philippines during the period from September 2019 to August 2020.
>
> **SO ORDERED.**

SO ORDERED.

LANEE S. CUI-DAVID
Associate Justice

I CONCUR:

JEAN MARIE A. BACORRO-VILLENA
Associate Justice

CERTIFICATION

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

JEAN MARIE A. BACORRO-VILLENA
Acting Presiding Justice