REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

EN BANC

COMMISSIONER OF INTERNAL REVENUE,
Petitioner,

-versus-

SATURN HOLDINGS CORPORATION,
Respondent.

CTA EB NO. 1747
(CTA CASE NO. 9085)

Present:
Del Rosario, *P.J.*,
Castañeda, Jr.,
Uy,
Fabon-Victorino,
Mindaro-Grulla,
Ringpis-Liban, *and*
Manahan, *JJ.*

Promulgated:
APR 04 2019
12:37 p.m.

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DECISION

RINGPIS-LIBAN, J.:

Before the Court *En Banc* is a Petition for Review filed by petitioner[1] Commissioner of Internal Revenue (CIR) under Sec. 3(b), Rule 8 of the Revised Rules of the Court of Tax Appeals seeking nullification of the Decision[2] dated August 18, 2017 (Assailed Decision), the dispositive portion thereof reads:

> "**WHEREFORE**, premises considered, the instant Petition for Review is hereby **GRANTED**. Accordingly, Assessment Notice No. ELTAD-II-DS-09-0017 dated October 24, 2014, assessing petitioner Saturn Holdings, Inc. for deficiency DST for the taxable year 2009, consisting of surcharge, interests and compromise penalty, in the total amount of P59,500,528.59, is declared **VOID**. Accordingly, the Formal Letter of Demand dated October 24, 2014 and the Final Decision on Disputed Assessment

[1] Respondent in CTA Case No. 9085.
[2] Rollo, CTA EB Case No.1747, pp. 22-37.

dated June 1, 2015 demanding payment thereof are hereby **CANCELLED** and **WITHDRAWN**.

SO ORDERED."

and the Resolution[3] dated November 3, 2017 of the same First Division of the Court (Court in Division) denying the CIR's Motion for Reconsideration, the dispositive portion thereof reads:

"**WHEREFORE**, premises considered, respondent's **Motion for Reconsideration (Re: Decision dated 18 August 2017)** filed on September 7, 2017 is **DENIED** for lack of merit.

SO ORDERED."

THE FACTS

The relevant antecedents stated in the assailed Decision[4] are as follows:

"Petitioner[5] is a domestic corporation duly registered with the Securities and Exchange Commission on February 18, 1997, with Company Registration No. A1997702977. It is primarily engaged in the purchase, retention, possession or acquisition of shares of stock, franchise, patents, bonds, mortgages, obligations, debts or credits of any person or entity legally constituted within or outside the Philippine Islands, and issuance of issue shares of stocks, bonds, or other obligations for the payment of articles or properties acquired by the corporation for other legal considerations, all to the extent permitted by law, without however engaging as stockbroker or as dealer of securities.

Respondent[6] Commissioner of Internal Revenue (CIR) holds officer at the 5th Floor, BIR National Office Building, BIR Road, Diliman, Quezon City.

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On May 25, 2010, petitioner received a Letter of Authority OA-124-2010-00000073 dated May 14, 2010, Notice of Change of Audit Jurisdiction dated May 24, 2010, Letter Request for Data Files for Tax Audit, List of Requirements and List of Assets for

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[3] Rollo, pp. 38-44.
[4] Rollo, pp. 22-37. Citations omitted.
[5] Respondent Saturn Holdings Corporation (Saturn Holdings) in this case.
[6] Petitioner in this case.

respondent, which authorized respondent's representatives to conduct an examination of petitioner's books of accounts and other accounting records for all Internal Revenue Taxes for the period January 1, 2009 to December 31, 2009.

On November 19, 2011, in reply to the October 18, 2011 Notice of Informal Conference received from respondent, petitioner submitted a letter dated November 10, 2011 saying that they are willing to pay the Basic Tax Due upon receipt of the Preliminary Assessment Notice (PAN) and that they have the intention to avail of the remedy of applying for abatement of penalties pursuant to Section 204(B) of the National Internal Revenue Code (NIRC), as amended and its implementing regulations.

On December 23, 2011, petitioner received the PAN and Details of Discrepancies wherein respondent assessed petitioner for deficiency DST amounting to P81,853,249.96, broken down as follows:

	ADVANCES TO AFFILIATES	**ADVANCES FROM AFFILIATES**
Amount	4,160,016,015.00	4,707,368,513.00
DST Rate	1/200	1/200
DST Due	20,800,081.00	23,536,843.00
DST Paid	0.00	0.00
DST Deficiency	20,800,081.00	23,536,843.00
Surcharge	5, 200,020.25	5,884,210.75
Interest from 01/06/09 to 12/29/11	12,400,267.46	14,031,827.50
Total Amount Due	P38,400,368.71	P43,452,881.25
		P81,853,249.96

On December 28, 2011, petitioner paid the Basic Tax Due amounting to P44,336,924.00. On the same day, it filed an "Application for Abatement or Cancellation of Tax, Penalties and/or Interest" for the cancellation of the imposed surcharge and interest amounting to P37,516,325.96 for taxable year 2009 based on "non-compliance due to difficult interpretation of the law," a ground prescribed under Revenue Regulations (RR) No. 13-2001 (which implements Section 204(b), in relation to Sections 7(C) and 290 of the NIRC).

On October 28, 2014, petitioner received respondent's Formal Letter of Demand (FLD) together with Details of Discrepancies and Assessment Notice No. ELTAD-II-DS-09-0017 IFAN) assessing petitioner for deficiency DST in the aggregate amount of P59,500,528.59 for taxable year 2009, computed as follows:

DST Deficiency (per PAN)	P44,336,924.00
Surcharge	11,084,231.00
Interest from 01/06/2009 to 12/29/2001	26,432,094.96
Total amount due per PAN	81,853,249.96
Less: Basic DST paid on 12/28/2011	(44,336,924.00)
Deficiency DST Due	37,516,325.96
Interest from 12/29/2011 to 11/30/2014	21,934,202.63
Compromise penalty	50,000.00
Total amount due	P59,500,528.59

On November 21, 2014, petitioner filed an Administrative Protest by way of a Request for Reconsideration to the assessment contained in respondent's FLD.

On June 11, 2015, petitioner received the Final Decision on Disputed Assessment (FDDA) wherein respondent denied petitioner's request on the ground that it lacks factual and legal bases and consequently, sustained the deficiency DST assessment as stated in the FLD.

Due to the denial of its protest, petitioner filed the instant Petition for Review on July 10, 2015."

In the Answer[7], the CIR interposed the following as Special and Affirmative Defenses, that: 1) Saturn Holdings' advances to/from affiliates are in essence debt instruments which are subject to DST; 2) since Saturn Holdings failed to pay the DST within the period prescribed by law, it is liable for surcharge, deficiency interest, delinquency interest and compromise penalty; 3) Saturn Holdings' application for abatement was given due course by the CIR but due to its failure to adduce proof to support its claim, the CIR denied Saturn Holdings' application and imposed civil and compromise penalties; 4) the case of *Commissioner of Internal Revenue vs. Filinvest Development Corporation* is applicable in the instant case; and 5) Saturn Holdings is liable for civil penalties and compromise penalty for taxable year 2009.

In the Joint Stipulation of Facts and Issues[8], the parties agreed that the issue to be resolved by the Court in Division is "Whether Saturn Holdings is liable for surcharge in the amount of P11,084,231.00; deficiency interest in the amount of P26,432,094.96; delinquency interest in the amount of P21,934,202.63 and compromise penalty in the amount of P50,000.00 for a

[7] Docket, CTA CASE NO. 9085, pp. 389-296.
[8] Filed by the parties on July 7, 2014.

total amount of P59,500,528.59 for assessed deficiency DST for the taxable year 2009, all pursuant to the FLD and the FDDA."

Trial thereafter ensued wherein both parties presented their respective evidence. On April 12, 2017, Saturn Holdings filed its Motion to Admit (The Attached Memorandum For The Petitioner), while the CIR filed his Memorandum on May 9, 2017.

In the Resolution[9] dated May 24, 2017, the Court in Division deemed the case submitted for decision.

On August 18, 2017 and November 3, 2017, the Court in Division rendered the questioned Decision and Resolution respectively.

Aggrieved, the CIR filed before the Court *En Banc* within the allowable period this Petition for Review[10] on December 7, 2017.

In the Resolution[11] dated January 9, 2018, Saturn Holdings was directed by the Court *En Banc* to file its comment in this case.

On February 5, 2018, Saturn Holdings filed its "Comment (*To the Petition for Review*)".[12]

In the Resolution dated February 21, 2018,[13] the Court gave due course to the Petition for Review and ordered the parties to file their respective memoranda.

In view of the filing of the parties' respective memoranda on April 5, 2018, the Court deemed the case submitted for decision in the Resolution dated May 9, 2018.[14]

THE ISSUE

The main issue in this case is whether or not the Court in Division erred in cancelling the Assessment Notice No. ELTAD-II-DS-09-0017 dated October 24, 2014, assessing Saturn Holdings, Inc. for deficiency DST for the taxable year 2009, consisting of surcharge, interests and compromise penalty, in the total amount of P59,500,528.59.

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[9] Ibid. p. 456.
[10] Rollo CTA EB Case No.1747, pp. 6-21, with Annexes.
[11] Ibid. pp. 49-50.
[12] Ibid. pp. 51-55.
[13] Ibid pp. 57-58.
[14] Ibid, pp. 85-86.

THE ARGUMENTS

The CIR contends that the FAN and FLD sufficiently informed Saturn Holdings of its deficiency tax liabilities and specifically demanded payment thereof and that since Saturn Holdings failed to pay the DST within the period prescribed by law, it is liable for surcharge, interest, and compromise penalty.

On the other hand, Saturn Holdings counter-argues that the Court in Division is correct in ruling that the FAN is fatally infirmed, hence, the assessment for Deficiency DST (consisting of surcharge, interest and compromise penalty) should be cancelled and set aside; and that the Court in Division is correct in ruling that Saturn Holdings is not liable for surcharge, interest and compromise penalty.

THE RULING OF THE COURT *EN BANC*

Timeliness of the Petition

On November 7, 2017, the CIR received the Resolution of the Court in Division denying his Motion for Reconsideration. Hence, the CIR has until November 22, 2017 within which to file the Petition for Review. On November 22, 2017, the CIR filed before this Court a "Motion for Extension of Time to File Petition for Review,"[15] praying for an extension of twenty (20) days from November 22, 2017 or until December 12, 2017, within which to file the Petition for Review. On November 28, 2017, this Court issued a Minute Resolution[16] granting an extension of fifteen (15) days from November 22, 2017 or until December 7, 2017, within which to file the Petition for Review.

On December 7, 2017, the CIR filed the instant Petition for Review. Hence, this Petition for Review was timely filed.

The Court shall now proceed to determine the merits of the Petition for Review.

The FAN is void because it failed to demand payment thereof within a specific period

The CIR insists that what is sought to be collected from Saturn Holdings are the unpaid "Surcharge" and "Deficiency Interest" and Compromise Penalty and "Delinquency Interest" only; that Revenue Regulations No. 12-99 does not

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[15] Rollo, CTA EB No. 1747, pp. 1-4.
[16] Ibid. p. 4.

provide that the Letter of Demand and Final Assessment Notice requiring the payment of deficiency and delinquency interests, surcharge and compromise penalties be on a specific due date; and that the specific period for payment becomes immaterial considering that the deficiency consists only of the legal increments to the paid basic tax.

After consideration, the Court *En Banc* finds the CIR's argument without merit. The FLD and FAN issued against Saturn Holdings are void.

The FLD[17] reads as follows:

"Gentlemen:

Please be informed that after investigation there has been found due from you deficiency documentary stamp tax for calendar year 2009, as shown hereunder:

Assessment No. ELTAD-II-DS-09-0017

DST deficiency	44,336,924.00
Surcharge	11,084,231.00
Interest from 01/06/09 to12/29/2011	26,432,094.96
Total amount due per PAN	81,853,249.96
Less: Basic DST paid on 12/28/2011	44,336,924.00
Deficiency DST due	37,516,325.96
Interest from 12/29/2011 to 11/30/2014	21,934,202.63
Compromise penalty	50,000.00
Total amount due	59,500,528.59

The 25% surcharge has been imposed pursuant to the provisions of Section 248(A)(1) of the National Internal Revenue Code, as amended by RA No. 8424.

The 20% interest per annum has been imposed pursuant to the provisions of Sections 249 (B) and (C)(3) of the said Code.

The compromise penalty has been imposed pursuant to Revenue Memorandum Order No. 19-2007.

In view hereof, you are requested to pay your deficiency surcharge and interest through the duly authorized agent bank in which you are enrolled within the time shown in the enclosed assessment notice.

Very truly yours,

(Sgd.) **KIM S. JACINTO-HENARES**

[17] Exhibit "P-5."

Commissioner of Internal Revenue"

The FLD states that Saturn Holdings is requested to pay the deficiency surcharge and interest through the duly authorized agent bank in which it is enrolled, within the time shown in the enclosed assessment notice. However, the enclosed Details of Discrepancies[18] failed to indicate the specific period when the payment should be made and the portion in the Audit Result/Assessment Notice[19] indicating the "DUE DATE" was left blank.

As stated in the Court in Division's Decision:[20]

> "A close perusal of the FLD and FAN reveals that both failed to demand payment of the surcharge, interest and compromise penalty mentioned therein within a specific period. While the FLD specifically states that petitioner is requested to pay its aforesaid deficiency surcharge and interest through the duly authorized agent bank in which petitioner is enrolled within the time shown in the enclosed assessment notice, **the due date in the enclosed FAN was conspicuously left blank,** *viz.*: xxx
>
> xxx xxx xxx
>
> In ***Commissioner of Internal Revenue vs. Pascor Realty and Development Corporation***, the Supreme Court emphasized the requirement for an assessment to contain a specific demand for payment within a prescribed period in this wise:
>
>> "An assessment contains not only a computation of tax liabilities, but also a demand for payment within a prescribed period. It also signals the same time when penalties and interests begin to accrue against the taxpayer. To enable the taxpayer to determine his remedies thereon, due process requires that it must be served on and received by the taxpayer. xxx xxx xxx
>>
>> xxx xxx xxx
>>
>> (N)either the NIRC nor the revenue regulations governing the protest of assessments provide a specific definition or form of an assessment. However, the NIRC defined the specific functions and effects of an assessment. To consider the affidavit attached to the Complaint as a proper assessment is to

[18] Exhibit "P-5-a."
[19] Exhibit "P-5-b."
[20] Assailed Decision, pp. 7- 10. Citations omitted.

> subvert the nature of an assessment and to set a bad precedent that will prejudice innocent taxpayers.
>
> True, as pointed out by the private respondents, an assessment informs the taxpayer that he or she has tax liabilities. But not all documents coming from the BIR containing a computation of the tax liability can be deemed assessments.
>
> To start with, an assessment must be sent to and received by a taxpayer, **and must demand payment of the taxes described therein within a specific period.** Thus, the NIRC imposes a 25 percent penalty, in addition to the tax due, in case the taxpayer fails to pay the deficiency tax within the time prescribed for its payment in the notice of assessment. Likewise, an interest of 20% per annum, or such higher rate as may be prescribed by rules and regulations, is to be collected from the date prescribed for its payment until the full payment.
>
> xxx xxx xxx
>
> In the present case, the revenue officers' Affidavit merely contained a computation of respondent's tax liability. It did not state a demand or a period for payment. Worse, it was addressed to the justice secretary, not to the taxpayers." (Boldfacing supplied)"

In *Commissioner of Internal Revenue vs. Fitness By Design, Inc.*[21], the Supreme Court emphasized the importance of the issuance of a **valid formal assessment**, *i.e.,* it must demand payment of the taxes described **within a specific period**, as follows:

> "The issuance of a valid formal assessment is a substantive prerequisite for collection of taxes. Neither the National Internal Revenue Code nor the revenue regulations provide for a 'specific definition or form of an assessment.' However, the National Internal Revenue Code defines its explicit functions and effects.' **An assessment does not only include a computation of tax liabilities; it also includes a demand for payment within a period prescribed**. Its main purpose is to determine the amount that a taxpayer is liable to pay.
>
> A pre-assessment notice 'do[es] not bear the gravity of a formal assessment notice.' A pre-assessment notice merely gives a

[21] G.R. No. 215957, November 09, 2016.

tip regarding the Bureau of Internal Revenue's findings against a taxpayer for an informal conference or a clarificatory meeting.

A final assessment is a notice 'to the effect that the amount therein stated is due as tax and a demand for payment thereof.' This demand for payment signals the time 'when penalties and interests begin to accrue against the taxpayer and enabling the latter to determine his remedies[.]' Thus, it must be 'sent to and received by the taxpayer, and must demand payment of the taxes described therein within a specific period.'

The disputed Final Assessment Notice is not a valid assessment.

First, it lacks the definite amount of tax liability for which Respondent is accountable. It does not purport to be a demand for payment of tax due, which a final assessment notice should supposedly be. An assessment, in the context of the National Internal Revenue Code, is a 'written notice and demand made by the [Bureau of Internal Revenue] on the taxpayer for the settlement of a due tax liability that is there: definitely set and fixed.' Although the disputed notice provides for the computations of Respondent's tax liability, the amount remains indefinite. It only provides that the tax due is still subject to modification, depending on the date of payment. Thus:

> The complete details covering the aforementioned discrepancies established during the investigation of this case are shown in the accompanying Annex 1 of this Notice. The 50% surcharge and 20% interest have been imposed pursuant to Sections 248 and 249 (B) of the [National Internal Revenue Code], as amended. Please note, *however, that the interest and the total amount due will have to be adjusted if prior or beyond April 15, 2004.* (Emphasis Supplied)

Second, there are no due dates in the Final Assessment Notice. This negates Petitioner's demand for payment. Petitioner's contention that April 15, 2004 should be regarded as the actual due date cannot be accepted. The last paragraph of the Final Assessment Notice states that the due dates for payment were supposedly reflected in the attached assessment:

> In view thereof, you are *requested to pay* your aforesaid deficiency internal revenue tax liabilities

> through the duly authorized agent bank in which you are enrolled *within the time shown in the enclosed assessment notice.* (Emphasis in the original)
>
> However, based on the findings of the Court of Tax Appeals First Division, the enclosed assessment pertained to remained unaccomplished.
>
> Contrary to Petitioner's view, April 15, 2004 was the reckoning date of accrual of penalties and surcharges and not the due date for payment of tax liabilities. The total amount depended upon when Respondent decides to pay. The notice, therefore, did not contain a definite and actual demand to pay.
>
> Compliance with Section 228 of the National Internal Revenue Code is a substantive requirement. It is not a mere formality. Providing the taxpayer with the factual and legal bases for the assessment is crucial before proceeding with tax collection. Tax collection should be premised on a valid assessment, which would allow the taxpayer to present his or her case and produce evidence for substantiation." (*Emphasis supplied.*)"

To reiterate, an assessment contains not only a computation of tax liabilities, but also a demand for payment within a prescribed period. The requirement to indicate a fixed and definite period within which a taxpayer must pay the tax deficiencies is vital to the validity of the assessment.

Hence, the absence of the specific period in the FLD and Assessment Notices negates the CIR's demand for payment and makes the assessment void.

Whether Saturn Holdings is liable for Surcharge, Interests, and Compromise Penalty

The original assessment was based on Saturn Holdings' "Advances to and from Affiliates" transactions incurred for the year 2009 wherein the assessed Basic DST due were already settled on December 28, 2011, which is five (5) days from Saturn Holdings' receipt of the PAN on December 23, 2011. The subject assessment (FAN) is for the imposition of surcharge, interests and compromise penalty.

Assuming that the FAN is valid, the question now is whether the imposition of the subject assessment, i.e. surcharge, interests, and compromise penalty are justified.

The CIR argues that since Saturn Holdings failed to file and pay its DST due on time, the imposition of surcharge and interest is proper.

After consideration, the Court *En Banc* finds that Saturn Holdings is not liable to pay surcharge, interests, and compromise penalty. Saturn Holdings' willingness to pay what is due to the government shows good faith on its part. It is unjust to let Saturn Holdings suffer when it merely relied on existing decisions and BIR Rulings at the time the advances were made.

As aptly discussed in the assailed Decision:[22]

> "Even assuming that the FAN is valid, the Court holds that petitioner is not liable to pay the surcharge, interests and compromise penalty.
>
> In a number of cases, the Supreme Court has decreed the cancellation of surcharges and interests upon showing that the taxpayer believed in good faith that at the time the tax was due for payment, the taxpayer was not liable to pay the same on the basis of previous rulings issued by respondent. In *Michel J. Lhuillier Pawnshop, Inc. vs. Commissioner of Internal Revenue*, the Supreme Court stated:
>
> "Nevertheless, all is not lost for petitioner. **The settled rule is that good faith and honest belief that one is not subject to tax on the basis of previous interpretation of government agencies tasked to implement the tax law, are sufficient justification to delete the imposition of surcharges and interest.** In *Connell Bros. Co. (Phil.) v. Collector of Internal Revenue,* it was held that:
>
>> We are convinced that appellant, in preparing its sales invoices as it did, was not guilty of an additional violation of the law. It did not delay filing the returns for the sales taxes corresponding to the period in question, let alone did not purposely. **The delay was in the payment of the deficiency, which arose from a mistaken understanding of the regulations laid down by appellee. The ensuing controversy was, in our opinion, generated in**

[22] Assailed Decision, pp. 11-15. Citations omitted.

> **good faith and should furnish no justification for the imposition of a penalty.**
>
> WHEREFORE, modified by eliminating the surcharge of 25% imposed upon appellant, the judgment appealed from is affirmed, without costs.

This ruling was subsequently reiterated in *Tuason, Jr. v. Lingad*, where we deleted the order to pay interest and surcharges, and in *Commissioner of Internal Revenue v. Republic Cement Corporation*, where the **same surcharge was dispensed with because of the taxpayer's good faith and the BIRs previous erroneous interpretation of the laws involved**. We see no reason not to apply the same doctrine in the instant case which settles the divergent rulings of the BIR on DST and establishes the foremost categorical pronouncement of the Court that pledge transactions entered into by pawnshops are subject to DST." (Boldfacing supplied)

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Records disclose that petitioner believed in good faith that no DST was due on its advances to/from affiliates in 2009 as it relied on respondent's previous rulings declaring that intercompany advances are not subject to DST. Among these rulings include BIR Ruling No. DA-666A-99 in relation to BIR Ruling No. 191-99A both dated December 3, 1999; BIR Ruling No. DA-696-06, dated December 11, 2006; BIR Ruling No. DA-701-07 dated December 28, 2007; BIR Ruling No. DA-016-08 dated January 17, 2008; and BIR Ruling No. DA-(C-035) 127-08 dated August 8, 2008.

When the Supreme Court finally declared that intercompany advances are subject to DST in the case of *Commissioner of Internal Revenue vs. Filinvest Development Corporation* in 2011, petitioner manifested its willingness to pay its basic DST liability just a few days after its receipt on October 28, 2011 of the Notice of Informal Conference with regard to its DST liability. Thus, in its Letter dated November 10, 2011, petitioner averred:

> 'November 10, 2011
>
> THE OIC-ASSISTANT COMMISSIONER
> Large Taxpayers' Service
> Bureau of Internal Revenue
> Quezon City

Attention: Group Supervisor Teodore L. Maroket
Large Taxpayers Audit Division II – Excise

Sir:

With reference to your Notice of Informal Conference dated October 18, 2011, **please be informed that we would be willing to pay the basic taxes due upon receipt of the corresponding Pre-Assessment Notice.**

However, we reserve the right to apply for an abatement of the penalties pursuant to the provisions of Section 204 (B) of the Tax Code, and its' implementing regulations.

Very truly yours,

Shirley L. Santillan
Corporation Secretary'

On December 23, 2011, petitioner received the PAN and Details of Discrepancies and on December 28, 2011, petitioner indeed paid the basic DST due amounting to P44,336,924.00.

After considering the parties' respective evidence, the Court is inclined to give credence to petitioner's claim that its non-payment of DST for taxable year 2009 was due to an honest belief that it was not subject to DST. Petitioner's immediate willingness to settle its deficiency DST assessment after the *Filinvest* case has confirmed the taxability of intercompany advances for DST bolsters petitioner's stance that it acted in good faith and that it did not intend to evade its responsibilities as a taxpayer.

xxx xxx xxx

It is well-settled that the Court has no jurisdiction to compel a taxpayer to pay the compromise penalty because by its very nature, it implies a mutual agreement between the parties in respect to the thing or subject matter that is so compromised, and the choice of paying or not paying it distinctly belongs to the taxpayer. Absent a showing that herein petitioner consented to the compromise penalty, its imposition should be deleted. The imposition of the same without the conformity of the taxpayer is illegal and unauthorized.

In this case, there is nothing in the records which would establish that petitioner consented to the imposition of the compromise penalty. In the absence of said consent, respondent's assessment of the P50,000.00 cannot therefore be sustained."

The findings of fact by the CTA in Division are not to be disturbed without any showing of grave abuse of discretion considering that the members of the Division are in the best position to analyze the documents presented by the parties.[23]

There being no new matters or issues raised in the Petition for Review before this Court and there being no reversible error committed by the Court in Division, this Court finds no cogent reason to disturb the assailed Decision and Resolution.

WHEREFORE, premises considered, the Petition for Review is **DENIED for lack of merit.** The Decision dated August 18, 2017 and Resolution dated November 3, 2017 are **AFFIRMED**.

SO ORDERED.

MA. BELEN M. RINGPIS-LIBAN
Associate Justice

WE CONCUR:

ROMAN G. DEL ROSARIO
Presiding Justice

JUANITO C. CASTAÑEDA, JR.
Associate Justice

ERLINDA P. UY
Associate Justice

ESPERANZA R. FABON-VICTORINO
Associate Justice

CIELITO N. MINDARO-GRULLA
Associate Justice

CATHERINE T. MANAHAN
Associate Justice

[23] *Republic of the Philippines, represented by the Commissioner of Internal Revenue vs. Team (Phils.) Energy Corporation (formerly Mirant (Phils.) Energy Corporation)*, G. R. No. 188016, January 14, 2015, citing Sea-Land Service, Inc. vs. Court of Appeals, G.R. No. 122605, April 30, 2001.

CERTIFICATION

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

ROMAN G. DEL ROSARIO
Presiding Justice