REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

SPECIAL SECOND DIVISION

FORTUNE PLASTIC PROCESSING & CHEMICAL CORPORATION, represented by WILLY TSAI,
Petitioner,

- versus -

COMMISSIONER OF INTERNAL REVENUE,
Respondent.

CTA CASE NO. 10984

Members:

RINGPIS-LIBAN, *P.J., Chairperson,*
MODESTO-SAN PEDRO, *and*
FERRER-FLORES, *JJ.*

Promulgated:
JUL 0 2026
4:10 p.m.

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RESOLUTION

FERRER-FLORES, J.:

Submitted before this Court is respondent's **Motion for Reconsideration** filed on February 13, 2026, with petitioner's **Opposition/Comment Motion for Reconsideration** filed through accredited courier service on April 27, 2026, and received by the Court on April 28, 2026.

On January 20, 2026, the Court promulgated a Decision cancelling respondent's deficiency income tax, value-added tax, expanded withholding tax, documentary stamp tax, improperly accumulated earnings tax, and compromise penalty assessments for taxable year 2018, for failing to validly effect proper service of the assessment notices in violation of petitioner's right to due process of law, the dispositive portion of which reads:

> **WHEREFORE**, in light of the foregoing considerations, the present **Petition for Review** is **GRANTED**.
>
> Accordingly, for being null and void, the assessments issued by respondent against petitioner on its alleged deficiency income tax, VAT, EWT, DST, IAET, and compromise penalty in the aggregate amount of **₱8,766,191.92**, plus interest and surcharges, for the taxable year 2018, are **CANCELLED** and **SET ASIDE.**

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Consequently, WDL No. RR5-WDL-07-07-2022-3058(024) and the WGs dated August 12, 2022 issued against petitioner in relation to its alleged deficiency tax assessments for taxable year 2018 are likewise **CANCELLED** and **SET ASIDE**.

SO ORDERED.

In his *Motion*, respondent argues that the Court erred when it took cognizance and assumed jurisdiction over this case on the basis of "other matters" on the validity of Warrants of Garnishment, despite the fact that this was not raised by petitioner as an issue in its *Petition for Review* and was not expressly stipulated by the parties in the *Joint Stipulation of Facts and Issues* (JSFI)[1] and *Pre-Trial Order*[2]. For said reasons, respondent asserts that both parties were precluded from discussing issues not raised or agreed upon and approved by the Court and the Court should have refrained from resolving any issue not raised by the parties to this case.

Respondent further argues that the Court erred when it assumed jurisdiction over this case despite the fact that the assessment had become final, demandable, and executory for failure of petitioner to exhaust the necessary administrative remedies, *i.e.*, file a protest to the Formal Assessment Notice (FAN) and Formal Letter of Demand (FLD).[3] Applying the principle of *ejusdem generis*, respondent avers that the general phrase, "other matters" must be limited to things of the same class as those specifically enumerated in the National Internal Revenue Code (NIRC) of 1997, as amended—namely, disputed assessments, refunds, fees, and penalties. These enumerated items are all tax controversies arising directly from the NIRC of 1997, as amended, and not those already settled for having attained finality.

Respondent maintains that petitioner was not deprived of its right to administrative due process. Respondent contends that when the Bureau of Internal Revenue (BIR) sends notices via registered mail to the last known address, coupled with the registered receipts thereof, the said act is generally deemed sufficient to create a presumption that the notice was properly served, regardless of whether the entity still operates at that registered location. The fact that an entity is no longer at the registered address does not render the service void. Rather, it is the consequence of the taxpayer's failure to update their records.

Respondent further insists that there is a presumption of regularity in the performance of duties by BIR personnel, more importantly, when the officers made it clear that diligent efforts were made in order to find the taxpayer and serve relevant notices to them. Respondent expounds that

[1] Docket – Vol. I, pp. 263 to 268.
[2] Docket – Vol. I, pp. 273 to 279.
[3] Exhibits "R-7" to "R-7-D" and "R-7-H" to "R-7-J", Docket – Vol. I, pp. 151 to 161.

Revenue Officer Jenny Katherine C. Querubin exerted diligent efforts to find the taxpayer and its representatives by personally going to the closed business address, Barangay Hall of Paso de Blas, Valenzuela, and by sending the notice through registered mail in the last known address of the taxpayer. Respondent points out that diligent efforts on the part of authorities would be rendered ineffective and inequitable if the law or rules were construed to favor individuals who deliberately evade service of notices and seek to avoid compliance with legal processes.

Lastly, respondent contends that presumptions are in favor of the correctness of assessments. Allegedly, the subsequent issuance of the Warrants of Garnishment is merely a continuance of collection enforcement, which emanates from a valid assessment.

In its *Comment*, petitioner counters that respondent's *Motion* is a rehash of the issues and matters that were already resolved by this Court. Thus, there is no cogent reason to reconsider the assailed Decision.

Petitioner, nonetheless, asserts that there was a violation of its right to due process when respondent failed to notify it of the Preliminary Assessment Notice (PAN),[4] FAN, and Warrants of Garnishment. Contrary to the allegations of respondent, petitioner maintains that it never changed its office address and is still currently holding office at their office in Paso De Blas, Valenzuela City. Petitioner also stresses that all pleadings, orders, and resolutions pertaining to this case were addressed to the same principal office of petitioner, and that it has received all the said court processes and documents. Hence, petitioner argues that the testimony of respondent's witness who allegedly served the PAN and FAN holds no water and is not credible, as allegedly, no one actually exerted effort to visit the business address and to furnish the subject PAN and FAN to petitioner.

Petitioner further states that, even assuming respondent's witness indeed sent the FAN through registered mail, respondent failed to present the Affidavit of Service from the postmaster to show that the mail matter was actually served, or any other proof showing that it was duly received by petitioner, like the Registry Return Card bearing the signature of the recipient or any person representing petitioner. In this regard, petitioner submits that the bare allegation of the witness cannot be attributed great respect absence evidence that the mail matter was actually served or validly tendered to petitioner.

In the same vein, petitioner contends that the Warrants of Garnishment in question are invalid, considering that there is no basis to consider respondent's assessments as final and executory. Petitioner adds that the

[4] Exhibits "R-5" to "R-5-A", Docket – Vol. I, pp. 144 to 148.

subject assessments did not attain finality as the factual antecedent prior to the issuance of Warrants of Garnishment readily shows that respondent failed to observe the rules on proper service of assessment and notice of garnishment.

Lastly, petitioner argues that due process demands that tax collection be preceded by a demandable assessment. In this case, since the deficiency assessment was not validly received by petitioner, effectuating substituted service in procedural due process requires bringing the barangay official and two disinterested persons to petitioner's given business address to personally observe and attest to such absence. Significantly, petitioner points out that respondent did not present as witness during trial the person named Ms. Abad, to prove that she is a barangay official and not a mere barangay staff. Respondent likewise failed to present the two disinterested persons to whom the notices were likewise served.

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

As correctly pointed out by petitioner, some of the arguments proffered by respondent in the present *Motion* are mere reiterations of the contentions he advanced in his *Answer*[5] and *Memorandum.*[6] By merely reiterating his arguments therein, respondent failed to specify which conclusions are contrary to law or which findings made in the assailed Decision are erroneous that would warrant the Court to reconsider the same.

The Court, nonetheless, reiterates that it may resolve and rule upon related issues necessary to achieve an orderly disposition of the case, *albeit* not specifically raised by the parties, pursuant to Section 1 of Rule 14 of the Revised Rules of the Court of Tax Appeals (RRCTA), which provides as follows:

> RULE 14
> JUDGMENT, ITS ENTRY AND EXECUTION
>
> SECTION 1. – *Rendition of judgment* – xxx
>
> **In deciding a case, the Court may not limit itself to the issues stipulated by the parties but may also rule upon related issues necessary to achieve an orderly disposition of the case.** *(Emphasis added)*

The above authority is further confirmed and recognized by the Supreme Court in *Commissioner of Internal Revenue vs. Lancaster Philippines, Inc.,*[7] to wit:

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[5] Docket, pp. 110 to 122.
[6] Docket, pp. 370 to 388.
[7] G.R. No. 183408, July 12, 2017.

> **On whether the CTA can resolve an issue which was not raised by the parties, we rule in the affirmative.**
>
> **Under Section 1, Rule 14 of A.M. No. 05-11-07-CTA, or the Revised Rules of the Court of Tax Appeals, the CTA is not bound by the issues specifically raised by the parties but may also rule upon related issues necessary to achieve an orderly disposition of the case.** The text of the provision reads:
>
> > **SECTION 1.** ***Rendition of judgment.*** **– xxx**
> >
> > **In deciding the case, the Court may not limit itself to the issues stipulated by the parties but may also rule upon related issues necessary to achieve an orderly disposition of the case.**
>
> **The above section is clearly worded.** On the basis thereof, the CTA Division was, therefore, well within authority to consider in its decision the question on the scope of authority of the revenue officers who were named in the LOA even though the parties had not raised the same in their pleadings or memoranda. The CTA En Banc was likewise correct in sustaining the CTA Division's view concerning such matter. *(Emphases added)*

Moreover, in the case of *Commissioner of Internal Revenue vs. Yumex Philippines Corporation*,[8] the Supreme Court held the following:

> As the CTA *En Banc* held, **the CTA Division was justified in ruling on the issue that respondent was denied due process <u>even though it was not expressly raised by respondent in its petition for review</u>.** xxx. *(Emphasis and underscoring added)*

Similarly, in *Salvador Comilang vs. Francisco Burcena, et al.*,[9] the Supreme Court held that, once a court acquires jurisdiction over a case, it has wide discretion to look upon matters which, although not raised as an issue, would give life and meaning to the law. The Rules of Court recognize the broad discretionary power of an appellate court to consider errors not assigned, viz.:

> **Thus, an appellate court is clothed with ample opportunity to review rulings even if they are not assigned as errors in the appeal in these instances:** (a) grounds not assigned as errors but affecting jurisdiction over the subject matter; (b) matters not assigned as errors on appeal but are evidently plain or clerical errors within contemplation of law; **(c) matters not assigned as errors on appeal but consideration of which is necessary in arriving at a just decision and complete resolution of the case or to serve the interests of justice** or to avoid dispensing piecemeal justice; (d) matters not specifically assigned as errors on appeal but raised in the trial court and are matters of record having some bearing on the issue submitted which the parties failed to raise or which the lower court ignored; **(e)**

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[8] G.R. No. 222476, May 5, 2021.

[9] G.R. No. 146853, February 13, 2006.

> **matters not assigned as errors on appeal but closely related to an error assigned; and (f) matters not assigned as errors on appeal but upon which the determination of a question properly assigned, is dependent.**[10] *(Emphases added)*

On the basis of the foregoing jurisprudential pronouncements, it is clear that the Court is clothed with ample authority to review rulings even if they are not assigned as errors in the appeal. Here, although the issue of the validity of the Warrants of Garnishment was not raised in the JSFI, the consideration thereof is necessary in arriving at a just decision for the complete resolution of the case.

With regard to respondent's contention that the Court should not have taken cognizance of the case as the assessment had already become final, demandable, and executory, for petitioner's failure to file relative administrative remedies, the recent case of *Ortiz Memorial Chapel Inc., represented by Ronald Ortiz vs. Commissioner of Internal Revenue*,[11] is instructive on the matter, as follows:

> **The general rule is that a tax assessment becomes final, executory, and demandable if the taxpayer fails to file a protest within the reglementary period. Once final, the assessment attains the character of a judgment that is final, immutable and enforceable. Thus, the CTA can no longer exercise jurisdiction because there is no 'disputed assessment' to speak of.** The CTA, being a court of limited jurisdiction, can only hear cases and matters that are specifically and exclusively granted to it by law. Accordingly, it is want of jurisdiction over final and executory assessments.
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> **The principle, however, is not absolute. When the assessment is void *ab initio* for want of due process, it produces no legal effect and may be assailed at any time, even if no protest was filed. A void assessment, being a nullity, cannot attain finality.**
>
> This exception has long been recognized in the Court's jurisprudence. As correctly observed in the Dissenting Opinion, the Court has set aside tax assessments despite the taxpayer's failure to comply with protest requirements whenever the defect went into the very validity of the assessment itself.
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> In *Himlayang Pilipino Plans, Inc. v. Commissioner of Internal Revenue*, the Court granted a Petition to nullify and cancel an FLD, despite having been denied by the CTA Division and agreed to by the CTA *En Banc*, for lack of jurisdiction due to the failure to file a timely protest to the FAN. According to the CTA Division, there was no disputed assessment because the taxpayer's protest against the FAN and FLD were filed out of time. The CTA *En Banc* affirmed the denial.

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[10] Cited also in *M/V "Don Martin Voy 047 and its Cargoes of 6,500 Sacks of Imported Rice, et al. v. Hon. Secretary of Finance, et al.*, G.R. No. 160206, July 15, 2015, wherein the Supreme Court recognizes this Court's jurisdiction to determine an issue not raised by the parties.

[11] G.R. No. 278483, December 3, 2025.

> In *Commissioner of Internal Revenue v. Metro Star Superama, Inc.*, the Court upheld the grant of the Petition by the CTA despite the failure to file a timely protest against the FAN. In fact, the Court ruled that it need not belabor to discuss the failure to file protest since it is well settled that a void assessment bears no valid fruit. *(Emphases and underscoring added)*

Evidently, the Court may set aside invalid tax assessments even if no protest was timely filed since a void assessment cannot attain finality. Stated otherwise, an assessment that is void *ab initio* for want of due process may be assailed at any time even if no protest was filed.

In view of the foregoing disquisitions, there being no new matter or substantial issue raised by respondent in his *Motion for Reconsideration*, the Court finds no compelling reason to reverse or modify the Decision promulgated on January 20, 2026.

WHEREFORE, premises considered, respondent's Motion for Reconsideration is **DENIED** for lack of merit.

SO ORDERED.

CORAZON G. FERRER-FLORES
Associate Justice

WE CONCUR:

MA. BELEN M. RINGPIS-LIBAN
Presiding Justice

MARIA ROWENA MODESTO-SAN PEDRO
Associate Justice