REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

EN BANC

****

COMMISSIONER OF INTERNAL REVENUE, Petitioner, **- versus -** **DEUTSCHE KNOWLEDGE SERVICES PTE. LTD.,** Respondent.	**CTA EB No. 1244** (CTA Case No. 8443)

x- x

DEUTSCHE KNOWLEDGE SERVICES PTE. LTD., Petitioner, **- versus -** **COMMISSIONER OF INTERNAL REVENUE,** Respondent.	**CTA EB No. 1345** (CTA Case No. 8443) ***Present:*** **DEL ROSARIO,** P.J., **CASTAÑEDA, JR.,** **BAUTISTA,** **UY,** **CASANOVA,** **FABON-VICTORINO,** **MINDARO-GRULLA,** **RINGPIS-LIBAN,** and **MANAHAN,** JJ. ***Promulgated:*** SEP 18 2017 4:10 p.m.

x - x

RESOLUTION

UY, J.:

For resolution are the following: 1) Commissioner of Internal

Revenue's "**MOTION FOR RECONSIDERATION (Re: Decision dated March 30, 2017)**" filed on April 21, 2017, with Deutsche Knowledge Services Pte. Ltd.'s **"COMMENT (Re: CIR's Motion for Reconsideration dated April 20, 2017);"** and 2) Deutsche Knowledge Services Pte. Ltd.'s **"MOTION FOR RECONSIDERATION (Re: Decision dated March 30, 2017)"** filed on April 25, 2017. In the said Motions, both parties pray for the setting aside of the Court's Decision dated March 30, 2017, the dispositive portion of which reads:

> "**WHEREFORE,** in light of the foregoing considerations, the Petition for Review of the Commissioner of Internal Revenue in **CTA EB No. 1244** is **PARTIALLY GRANTED.** The amount of refund claim stated in the assailed Decision dated July 7, 2014 in favor of Deutsche Knowledge is hereby **REDUCED to Php14,527,282.57** representing its unutilized input VAT attributable to its zero-rated sales for the first quarter of 2010.
>
> On the other hand, the Petition for Review of Deutsche Knowledge Services, Pte. Ltd. in **CTA EB No. 1345** is **DENIED** for lack of merit
>
> **SO ORDERED.**"

In support of his Motion, the Commissioner of Internal Revenue raises the following arguments, to wit:

1. Deutsche Knowledge Services, Pte. Ltd. failed to exhaust administrative remedies prior to the filing of the Petition for review before the Court in Division.

2. The claim for refund of excess and unutilized input VAT should be denied for failure of Deutsche Knowledge Services, Pte. Ltd. to establish that the recipients of its services do business outside the Philippines.

In its Comment, Deutsche Knowledge Services, Pte. Ltd. counters that:

1. It exhausted all administrative remedies pursuant to Section 112, Tax Code.

2. It proved, by preponderance of evidence, that its clients are

non-resident foreign corporations doing business outside the Philippines.

Meanwhile, Deutsche Knowledge Services, Pte. Ltd. proffers the following arguments in its Motion, to wit:

1. It proved by preponderant evidence that its sales to its non-resident foreign clients are zero-rated; hence, all its input VAT attributable to zero-related sales for the 1st quarter of CY 2010 are a proper subject of a claim for refund.

2. It is entitled to refund of its allowable input VAT relative to its purchases of capital goods exceeding Php1 Million for the 1st quarter of CY 2010 in the amount of Php46,359.44.

3. It's unutilized input VAT in the amount of Php33,868,101.19 is duly substantiated in accordance with the existing laws and regulations and therefore must be accordingly refunded.

THE COURT *EN BANC'S* RULING

Both Motions lack merit.

After a careful examination and consideration of the parties' Motions for Reconsideration, it is noted that the arguments raised in the said Motions are mere reiterations of matters which have already been considered, weighed and resolved in the assailed Decision. Thus, We shall not belabor, in this Resolution, to repeat the disquisitions made therein.

WHEREFORE, premises considered, the "**MOTION FOR RECONSIDERATION (Re: Decision dated March 30, 2017)"** filed by the Commissioner of Internal Revenue, as well as the **"MOTION FOR RECONSIDERATION (Re: Decision dated March 30, 2017)"** filed by Deutsche Knowledge Services Pte. Ltd., are hereby **DENIED** for lack of merit.

SO ORDERED.

ERLINDA P. UY
Associate Justice

WE CONCUR:

(I maintain my Concurring and Dissenting Opinion)
ROMAN G. DEL ROSARIO
Presiding Justice

JUANITO C. CASTAÑEDA, JR.
Associate Justice

LOVELL R. BAUTISTA
Associate Justice

CAESAR A. CASANOVA
Associate Justice

ESPERANZA R. FABON-VICTORINO
Associate Justice

Cielito N. Mindaro-Grulla
CIELITO N. MINDARO-GRULLA
Associate Justice

MA. BELEN M. RINGPIS-LIBAN
Associate Justice

CATHERINE T. MANAHAN
Associate Justice