REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

FIRST DIVISION

CHEVRON HOLDINGS, INC. [formerly CALTEX (ASIA) LIMITED],
Petitioner,

-versus-

COMMISSIONER OF INTERNAL REVENUE,
Respondent.

CTA Case No. 8241

Members:

DEL ROSARIO, *Chairperson,*
UY, *and,*
MINDARO-GRULLA, *J.J.*

Promulgated:

AUG 11 2015 ; 3:45 pm.

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AMENDED DECISION

DEL ROSARIO, PJ:

This resolves petitioner's "**Motion for Partial Reconsideration with Motion for New Trial**" filed on September 18, 2013, with respondent's "**Comment (To Petitioner's Motion for Partial Reconsideration with Motion for New Trial dated 18 September 2013)**" filed on November 04, 2013.

Petitioner moves for partial reconsideration of Our Decision dated August 14, 2013, the dispositive portion of which reads, as follows:

> "WHEREFORE, premises considered, the instant Petition for Review is hereby PARTIALLY GRANTED. Accordingly, respondent Commissioner of Internal Revenue is hereby ORDERED to REFUND or to ISSUE A TAX CREDIT CERTIFICATE in the reduced amount of ₱4,623,001.60 to petitioner Chevron Holdings, Inc. representing its excess and unutilized input VAT for the four taxable quarters of 2009 attributable to its zero-rated sales for the same period.
>
> SO ORDERED."

Petitioner's "Motion for Partial Reconsideration with Motion for New Trial" is anchored on the following grounds:

(1) Zero-rated transactions are those that are rendered to either persons engaged in business outside the Philippines or persons not engaged in business but are outside the Philippines when the services were performed;

(2) Chevron Holdings, Inc. rendered services to its affiliates which are located outside the Philippines when the services were performed;

(3) The doctrine in the *Burmeister* case was taken out of context and misapplied to the present claim for refund;

(4) The total amount of zero-rated sales credited to Cabinda Gulf Oil Company Limited ought to be Php36,015,697.05, and not only Php28,378,745.54, as stated in the Decision; and,

(5) The attached Articles of Incorporation and company profiles of Chevron Holdings' foreign affiliate customers are akin to newly discovered evidence which shall materially alter the outcome of the case and may therefore be admitted by this Honorable Court.

On February 27, 2014, the Court granted petitioner's "Motion for New Trial" and held in abeyance the resolution of petitioner's "Motion for Partial Reconsideration".

Petitioner recalled to the witness stand Hyacinth Pacifico-Carreon, the current Optimization Manager of Chevron Holdings, Inc. She identified her Supplemental Judicial Affidavit as Exhibit "UUU"[1] and her signature on page 22 thereof, as Exhibit "UUU-1".[2] She further identified documentary evidence for the petitioner marked as Exhibits "C-116" to "C-133"[3], "HHH" to "HHH-31"[4], "III" to "III-18"[5], "JJJ" to "JJJ-16"[6], "KKK" to "KKK-5"[7], "LLL" to "LLL-12"[8], "RRR-1"[9], "MM-2"[10], "RRR-3"[11], "SSS" to "SSS-11"[12], "TTT" to "TTT-3"[13], and "WWW" to "WWW-1"[14].

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[1] CTA Docket, Vol. III, p. 1716
[2] CTA Docket, Vol. III, p. 1737
[3] CTA Docket, Vol. III, pp. 1743-1760
[4] CTA Docket, Vol. III, pp. 1761-1794
[5] CTA Docket, Vol. III, pp. 1795-2097
[6] CTA Docket, Vol. III, pp. 2098-2148
[7] CTA Docket, Vol. III, pp. 2149-2199
[8] CTA Docket, Vol. III, pp. 2200-2212
[9] ICPA Report submitted on February 20, 2012
[10] ICPA Report submitted on February 20, 2012

In substance, Pacifico-Carreon testified that she acts as petitioner's Finance Manager[15] and that petitioner is the Regional Operating Headquarters (ROHQ) of Chevron Holdings, Inc., a corporation organized and existing under the laws of the State of Delaware, USA, serving as a shared center that offers finance, human resources, information technology, and procurement services to its customers. As regards its customers, Pacifico-Carreon explained that petitioner only caters to affiliates, subsidiaries, branches, and divisions under the Chevron group of companies. These customers outsourced or devolved certain functions to the shared services centers, such as petitioner, and streamlined their finance, human resources, information technology, and procurement departments as they no longer employ staff for certain positions and functions.[16]

Said witness presented and identified the following documents to prove that petitioner's customers are located outside the Philippines: (1) printed screenshots from Chevron intranet/subgovern site;[17] (2) printed screenshots of the official online websites of the foreign government company registries;[18] and, (3) negative certifications issued by the Philippine Securities and Exchange Commission (SEC).[19]

To further support petitioner's claim for VAT refund, the witness presented petitioner's VAT Official Receipts and Sales Invoices issued to its local affiliates customers for taxable year 2009,[20] petitioner's Authority to Print Receipt issued by the Bureau of Internal Revenue (BIR),[21] petitioner's Quarterly VAT Return for taxable year 2007,[22] and Certifications from the BIR and the Court of Tax Appeals (CTA) that no refund claims were filed by petitioner for the period covering taxable year 2007.[23]

On November 26, 2014, the Court admitted all the above-mentioned documentary evidence, except Exhibits "III" to "III-18", "KKK", "KKK-3", and "KKK-5" for petitioner's failure to present the original copies of said

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[11] ICPA Report submitted on February 20, 2012
[12] CTA Docket, Vol. III, pp. 1424-1711
[13] CTA Docket, Vol. III, pp. 1712-1715
[14] CTA Docket, Vol. III, pp. 1739-1738
[15] CTA Docket, Vol. III, p. 1718
[16] CTA Docket Vol. III, pp. 1719-1720.
[17] Exhibits "HHH" to "HHH-31" and "LLL" to "LLL-12".
[18] Exhibits "JJJ" to "JJJ-16".
[19] Exhibits "C-116" to "C-133".
[20] Exhibits "VV-1" to "VV-27".
[21] Exhibits "RRR-1" to "RRR-3".
[22] Exhibits "TTT" to "TTT-3".
[23] Exhibits "WWW" to "WWW-1".

documents for comparison, and ordered the parties to submit their simultaneous memoranda.[24]

On December 19, 2014, petitioner filed a "Motion for Reconsideration" of the Resolution dated November 26, 2014 denying admission of Exhibits "III" to "III-18", "KKK", "KKK-3", and "KKK-5",[25] which the Court denied in its Resolution dated February 27, 2015.[26] On March 20, 2015, petitioner filed a "Proffer of Excluded Evidence", which the Court noted in a Resolution dated March 31, 2015.[27]

Meanwhile, on December 22, 2014, respondent filed a Manifestation stating that she will no longer file a Memorandum. On the other hand, on April 8, 2015, petitioner filed its Memorandum.

On May 4, 2015, petitioner's "**Motion for Partial Reconsideration**" was deemed submitted for resolution.

Hence, this Amended Decision.

THE COURT'S RULING

Whether or not Petitioner's Sales of Services to its Customer-Affiliates are VAT Zero-Rated

Petitioner contends that it is entitled to VAT zero-rating under Section 108(B)(2) of the NIRC of 1997, as amended, with regard to its sales of services to its customer-affiliates, and prays of this Honorable Court to grant its claim for refund and/or issuance of tax credit certificate in the amount of ₱51,198,943.08, representing its unutilized and/or unapplied input VAT for the period covering January 1, 2009 to December 31, 2009.

In this regard, Section 108(B)(2) of the NIRC of 1997, as amended by Republic Act (RA) No. 9337, provides:

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[24] CTA Docket, Vol. III, pp.2221-2222
[25] CTA Docket, Vol. III, pp. 2223-2231
[26] CTA Docket, Vol. III, pp. 2240-2244
[27] CTA Docket, Vol. III, *unpaginated*

"SEC. 108. Value-added Tax on Sale of Services and Use or Lease of Properties. –

xxx xxx xxx

(B) Transactions Subject to Zero Percent (0%) Rate. - The following services performed in the Philippines by VAT-registered persons shall be subject to zero percent (0%) rate:

xxx xxx xxx

(2) **Services other than those mentioned in the preceding paragraph rendered to a person engaged in business conducted outside the Philippines <u>or</u> to a nonresident person not engaged in business who is outside the Philippines when the services are performed**, the consideration for which is paid for in acceptable foreign currency and accounted for in accordance with the rules and regulations of the Bangko Sentral ng Pilipinas (BSP);" (*Emphasis supplied*)

In Our Decision, We cited the case of *Commissioner of Internal Revenue v. Burmeister and Wain Scandinavian Contractor Mindanao, Inc.*[28] to determine whether petitioner's client is doing business outside the Philippines to comply with one of the prescribed requisites for zero-rating. Petitioner contends, however, that a correct interpretation of Section 108(B)(2) of the NIRC of 1997, as amended, will show that said section enumerates two kinds of zero-rated customers, to wit: those who are engaged in business abroad and those who are not engaged in business abroad.

Indeed, a plain reading of Section 108(B)(2) of the NIRC of 1997, as amended by RA 9337, reveals that it contemplates two (2) situations wherein sales can be regarded as zero-rated for VAT purposes, *viz*:

1) <u>Services were rendered to a person engaged in business conducted outside the Philippines</u>, and the consideration for which is paid for in foreign currency and accounted for in accordance with the rules and regulations of the Banko Sentral ng Pilipinas (BSP);

or

2) <u>Services were rendered to a non-resident person not engaged in business who is outside the Philippines when the services are performed</u>, and the consideration for which is paid for in foreign currency and accounted for in accordance with the rules and regulations of the BSP.

True, in *Burmeister case* and in the latter case of *Accenture, Inc. v. Commissioner of Internal Revenue,*[29] the Supreme Court ruled that in order

[28] G.R. No. 153205, January 22, 2007.
[29] G.R. No. 190102, July 11, 2012.

for the supply of services to be VAT zero-rated, the claimant must be able to establish, among others, that the recipient of such services is doing business outside the Philippines.

The Court notes, however, that the provision that was interpreted by the Supreme Court in *Burmeister* is Section 102(b)(2) of the NIRC[30] which, prior to its amendment by RA No. 9337, provides as follows:

> "(b) Transaction subject to zero-rate. - The following services performed in the Philippines by VAT-registered persons shall be subject to 0%:
>
> (1) **Processing, manufacturing or repacking goods for other persons doing business outside the Philippines** which goods are subsequently exported, where the services are paid for in acceptable foreign currency and accounted for in accordance with the rules and regulations of the Bangko Sentral ng Pilipinas (BSP);
>
> (2) **Services other than those mentioned in the preceding sub-paragraph**, the consideration for which is paid for in acceptable foreign currency and accounted for in accordance with the rules and regulations of the Bangko Sentral ng Pilipinas (BSP);
>
> (3) Services rendered to persons or entities whose exemptions under special laws or international agreements to which the Philippines is a signatory effectively subjects the supply of such services to zero rate;
>
> (4) Services rendered to vessels, engaged exclusively in international shipping; and,
>
> (5) Services performed by subcontractors and/or contractors in processing, converting, or manufacturing goods for an enterprise whose export sales exceed seventy percent (70%) of total annual production."

Notably, Section 102(b)(2) of the NIRC, as then worded, did not contemplate the second situation stated in Section 108(B)(2) of the NIRC of 1997, as amended by RA No. 9337, to wit, ***"services to a non-resident person not engaged in business who is outside the Philippines when the services are performed."*** In interpreting Section 102(b)(2) of the NIRC, both in *Burmeister* and *Accenture,* the Supreme Court did not pass upon the issue of the applicability of the essential condition that the *recipient of such services is doing business outside the Philippines* to the second situation

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[30] The applicable provision in 1986 when Burmeister rendered the services and paid the VAT in question was the National Internal Revenue Code (NIRC) of 1977 as amended by Executive Order No. 273 and Republic Act No. 7716 dated 25 July 1987 and 5 May 1994, respectively. Section 102(b) was renumbered as Section 108(B). The renumbering took effect on January 1, 1998 pursuant to Republic Act No. 8424, otherwise known as the Tax Reform Act of 1997. On November 1, 2005, Section 6 of RA No. 9337 amended Section 108(B).

provided in Section 108(B)(2) of the NIRC of 1997, as amended by RA No. 9337. Needless to say, this is not an issue in both *Burmeister* and *Accenture*.

Any interpretation extending the ruling of the Supreme Court in *Burmeister* and *Accenture* to the second situation provided in Section 108(B)(2) of the NIRC of 1997, as amended by RA No. 9337, and consequently prescribing the essential condition that the *recipient of services is doing business outside the Philippines* clearly violate the well-settled rule in statutory construction as well as the maxim *verba legis non est recedendum* or "from the words of a statute there should be no departure." As clearly and succinctly worded, to qualify for zero-rating under the second situation, only the following requirements must be met: (a) services were rendered to a non-resident person; (b) said non-resident person is not engaged in business; (c) said non-resident person is outside the Philippines when services were performed; and, (d) the consideration for said services were paid for in foreign currency and accounted for under the rules and regulations of the BSP.

In fine, the Court holds that the doctrine laid down in *Burmeister* and *Accenture* that in order for the supply of services to be VAT zero-rated, the claimant must be able to establish, among others, the existence of the essential condition that the *recipient of such services is doing business outside the Philippines,* **applies only to the first situation provided in Section 108(B)(2) of the NIRC of 1997, as amended by RA No. 9337**.

In the second scenario, the taxpayer-claimant is not required to prove the fact that its customers are doing business outside the Philippines, but it is required to establish that its services were rendered to non-resident persons who are not engaged in business and who are outside the Philippines when the services were performed.

In the case at bar, petitioner's VAT zero-rated sales still falls under the first scenario as petitioner's services were rendered to persons engaged in business outside the Philippines. On direct examination, petitioner's witness, Pacifico-Carreon, testified that petitioner's clients are engaged in **core business** functions and outsourced their respective finance, human resources, information technology, and procurement functions to petitioner.[31]

Indubitably, as petitioner's clients are engaged in business outside the Philippines, petitioner must comply with *Burmeister* and *Accenture* wherein petitioner must establish that the recipient of such services is doing business outside the Philippines.

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[31] CTA Docket, p. 1719.

To prove that petitioner's customers are located outside the Philippines, petitioner presented internal documents of Chevron,[32] *on-line registries of companies from websites of foreign governments,*[33] and *negative certifications issued by the SEC.*[34]

As stated in Our Decision, "in order to be considered as non-resident foreign corporation engaged in business, each entity must be supported at the very least by **both** the *SEC Certificate of Non-registration of Corporation/Partnership* **and** Certificates/Articles of foreign incorporation/association or *printed screenshots of the US SEC website showing the state/province/country where the entity was organized*."[35] (*Emphasis supplied*)

Being official government registry of corporations, the Court is inclined to accept the printed screenshots of the official websites of other foreign government's registry of companies as sufficient proof in lieu of the Certificates/Articles of Foreign Incorporation/Association.

After a careful examination of the printouts of foreign registry submitted[36] by petitioner, the Court finds that the following clients of petitioner shall be considered as non-resident foreign corporations located outside the Philippines:

	SEC Certificates of Non-Registration (Exhibit)	**Printout Foreign Registry (Exhibit)**
Chevron Africa-Pakistan Services	C-34	JJJ-13
Chevron Cambodia Limited	C-40	JJJ-10
Chevron Global Downstream LLC	C-77	JJJ-3
Chevron International Pte. Ltd.	C-81	JJJ-6
Chevron Korea Inc.	C-110	JJJ-2
Chevron Kuo Pte. Ltd.	C-51	JJJ-5
Chevron North Sea Limited	C-23	JJJ-9
Chevron Reunion Limited	C-92	JJJ-11
Chevron Singapore Pte. Ltd.	C-112	JJJ-7
Chevron Trading Pte. Ltd.	C-104	JJJ-4
Chevron Uganda Ltd.	C-63	JJJ-12

Accordingly, the sales of services by petitioner to said entities for the year 2009 in the amount of ₱178,801,182.83 should also be subjected to zero

[32] Exhibits "HHH" to "HHH-31".
[33] Exhibits "JJJ" to "JJJ-16".
[34] Exhibits "C" to "C-133".
[35] CTA Docket Vol. 1, pp.478-479.
[36] Exhibits "JJJ" to "JJJ-16", Docket, pp. 2098-2148.

percent (0%) VAT, pursuant to Section 108(B)(2) of the NIRC of 1997, as amended. The additional amount of ₱178,801,182.83 is broken down, as follows:

OR No.	OR Date	Name of Affiliate	Sales (in USD)	Sales (in Php)	Exhibit
First Quarter of 2009					
JANUARY					
1195	19-Jan-09	Chevron Reunion Limited	662.66	₱ 31,316.64	UU-6
1204	23-Jan-09	Chevron Trading Pte. Ltd.	45,111.79	2,141,043.66	UU-15
1210	23-Jan-09	Chevron Kuo Pte. Ltd.	1,121.72	53,237.78	UU-21
1202	23-Jan-09	Chevron International Pte. Ltd.	355,328.67	16,864,198.86	UU-13
1205	23-Jan-09	Chevron Singapore Pte. Ltd.	32,385.03	1,537,020.88	UU-16
1250	26-Jan-09	Chevron Korea Inc.	66.71	3,152.65	UU-60
1223	27-Jan-09	Chevron North Sea Limited	301.58	14,259.10	UU-33
1220	27-Jan-09	Chevron Cambodia Ltd.	1,076.00	50,874.70	UU-30
FEBRUARY					
1262	11-Feb-09	Chevron Uganda Ltd.	1,128.86	₱ 52,898.78	UU-71
1274	25-Feb-09	Chevron Trading Pte. Ltd.	13,457.66	647,937.41	UU-82
1271	25-Feb-09	Chevron International Pte. Ltd.	85,636.79	4,123,100.14	UU-79
1268	25-Feb-09	Chevron Singapore Pte. Ltd.	124,863.02	6,011,700.53	UU-76
1277	25-Feb-09	Chevron Cambodia Ltd.	4,925.11	237,126.14	UU-85
MARCH					
1296	04-Mar-09	Chevron North Sea Limited	312.38	₱ 15,208.37	UU-104
1322	25-Mar-09	Chevron Trading Pte. Ltd.	13,457.66	644,832.77	UU-129
1318	25-Mar-09	Chevron International Pte. Ltd.	50,344.71	2,412,300.43	UU-125
1316	25-Mar-09	Chevron Singapore Pte. Ltd.	122,007.16	5,846,054.62	UU-123
1306	26-Mar-09	Chevron North Sea Limited	6,738.95	323,056.09	UU-113
			Subtotal-(First Quarter)	***₱ 41,009,319.55***	
Second Quarter of 2009					
APRIL					
1335	23-Apr-09	Chevron Reunion Limited	2,486.46	₱ 120,176.90	UU-142
1342	24-Apr-09	Chevron Trading Pte. Ltd.	5,492.53	266,757.16	UU-149
1339	24-Apr-09	Chevron International Pte. Ltd.	244,586.41	11,878,893.15	UU-146
1341	24-Apr-09	Chevron Singapore Pte. Ltd.	107,257.89	5,209,222.44	UU-148
1385	27-Apr-09	Chevron Cambodia Ltd.	717.66	34,770.35	UU-191
MAY					
1410	26-May-09	Chevron Trading Pte. Ltd.	13,614.54	₱ 637,384.83	UU-214
1404	26-May-09	Chevron International Pte. Ltd.	97,532.88	4,566,146.07	UU-208
1406	26-May-09	Chevron Singapore Pte. Ltd.	42,589.29	1,993,880.62	UU-210
1417	26-May-09	Chevron Cambodia Ltd.	11.25	526.69	UU-221
1421	27-May-09	Chevron North Sea Limited	983.13	46,199.72	UU-225
JUNE					
1455	25-Jun-09	Chevron Trading Pte. Ltd.	13,614.54	₱ 656,438.77	UU-258
1451	25-Jun-09	Chevron International Pte. Ltd.	94,722.73	4,567,151.88	UU-254
1447	25-Jun-09	Chevron Singapore Pte. Ltd.	136,679.22	6,590,126.33	UU-250

1438	26-Jun-09	Chevron Africa-Pakistan Services	3,989.14	191,693.42	UU-241
			Subtotal-(Second Quarter)	***₱ 36,759,368.33***	
Third Quarter of 2009					
JULY					
1474	27-Jul-09	Chevron International Pte. Ltd.	245,352.61	₱ 11,773,157.87	UU-277
1490	27-Jul-09	Chevron Cambodia Ltd.	1,658.56	79,585.41	UU-293
1469	28-Jul-09	Chevron North Sea Limited	15,487.72	742,816.31	UU-272
1470	28-Jul-09	Chevron North Sea Limited	983.13	47,152.52	UU-273
AUGUST					
1525	25-Aug-09	Chevron Trading Pte. Ltd.	13,614.54	₱ 654,860.03	UU-328
1519	25-Aug-09	Chevron International Pte. Ltd.	85,044.80	4,090,658.97	UU-322
1514	25-Aug-09	Chevron Singapore Pte. Ltd.	171,592.04	8,253,585.38	UU-317
SEPTEMBER					
1559	25-Sep-09	Chevron Trading Pte. Ltd.	13,614.54	₱ 643,105.34	UU-362
1557	25-Sep-09	Chevron International Pte. Ltd.	32,393.01	1,530,137.46	UU-360
1550	25-Sep-09	Chevron Singapore Pte. Ltd.	154,854.10	7,314,789.80	UU-353
1574	30-Sep-09	Chevron Africa-Pakistan Services	561,354.48	26,642,357.85	UU-377
			Subtotal-(Third Quarter)	***₱ 61,772,206.94***	
Fourth Quarter of 2009					
OCTOBER					
1581	23-Oct-09	Chevron International Pte. Ltd.	285,211.57	₱ 13,259,487.22	UU-384
1602	26-Oct-09	Chevron Trading Pte. Ltd.	16,687.56	791,254.62	UU-405
1603	26-Oct-09	Chevron Singapore Pte. Ltd.	11,051.80	524,030.35	UU-406
1605	26-Oct-09	Chevron Cambodia Ltd.	8,170.38	387,405.41	UU-408
1625	27-Oct-09	Chevron North Sea Limited	12,582.92	588,812.35	UU-424
1622	27-Oct-09	Chevron Africa-Pakistan Services	121,534.83	5,687,170.33	UU-421
NOVEMBER					
1632	24-Nov-09	Chevron Africa-Pakistan Services	45,227.43	₱ 2,116,398.22	UU-431
1637	25-Nov-09	Chevron Singapore Pte. Ltd.	147,500.94	6,911,946.58	UU-436
1643	25-Nov-09	Chevron Cambodia Ltd.	3,196.65	149,796.16	UU-442
DECEMBER					
1652	22-Dec-09	Chevron Cambodia Ltd.	3,792.37	₱ 176,635.77	UU-451
1655	23-Dec-09	Chevron International Pte. Ltd.	186,434.72	8,667,351.00	UU-454
			Subtotal-(Fourth Quarter)	***₱ 39,260,288.01***	
Additional Valid Zero-Rated Sales for the 1st, 2nd, 3rd and 4th quarters of 2009				**₱ 178,801,182.83**	

Petitioner's VAT Zero-Rated Sales of Services to Cabinda Gulf Oil Company Limited

Petitioner contends that the total amount of zero-rated sales credited to Cabinda Gulf Oil Company Limited ought to be ₱36,015,697.05 and not only ₱28,378,745.54.

In Our Decision, sales of services by petitioner to various entities for the year 2009, which were subjected to zero percent (0%) VAT, pursuant to Section 108(B)(2) of the NIRC of 1997, as amended, amounted to ₱409,127,980.26, which included the amount of ₱28,559,688.38 (not ₱28,378,745.54[37] as claimed by petitioner in its motion for partial reconsideration) representing petitioner's sales to Cabinda Gulf Oil Company Limited, as follows:

Exhibit		**OR No.**	**OR Date**	**Sales (in USD)**	**Sales (in Php)**
UU-14	January	1203	23-Jan-09	184,246.18	₱ 8,744,479.35
UU-95	February	1287	26-Feb-09	3,565.71	171,263.69
UU-130	March	1323	25-Mar-09	4,900.93	234,831.34
UU-147	April	1340	24-Apr-09	242,805.14	11,792,381.74
UU-329	August	1526	25-Aug-09	3,877.06	186,486.77
UU-365	September	1562	25-Sep-09	3,830.56	180,942.84
UU-386	October	1583	23-Oct-09	155,932.50	7,249,302.65
	Zero-rated sales to Cabinda Gulf Oil Co. Ltd. (per Decision)				**₱ 28,559,688.38**

A careful examination of petitioner's supporting documents shows that sales of services to Cabinda Gulf Oil Co. Ltd for the year 2009 amounted to ₱36,196,639.90, computed as follows:

Exhibit		**OR No.**	**OR Date**	**Sales (in USD)**	**Sales (in Php)**
	Zero-rated sales to Cabinda Gulf Oil Co. Ltd. (per Decision)				**₱ 28,559,688.38**
	ADJUSTMENTS				
	Second Quarter of 2009				
UU-201	May	1397	25-May-09	1,073.57	₱ 50,426.02
UU-236	June	1433	24-Jun-09	3,932.02	189,312.47
				Subtotal	*₱ 239,738.49*
	Third Quarter of 2009				
UU-300	July	1497	24-Jul-09	154,527.78	₱ 7,397,213.03
				Subtotal	*₱ 7,397,213.03*
	Additional Valid Zero-Rated Sales				**₱ 7,636,951.52**
	Total zero-rated sales to Cabinda Gulf Oil Co. LTD				**₱ 36,196,639.90**

Therefore, the additional valid zero-rated sales for the year 2009 amounted to ₱186,438,134.34[38]. The Court cannot consider the rest of

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[37] Under by ₱180,942.84 (exact amount of transaction made in September, Exhibit "UU-365").

[38] ₱36,196,639.89 less ₱28,559,688.38 plus ₱178,801,182.83

petitioner's declared zero-rated sales in the amount of ₱1,474,695,660.90[39] as zero-rated sales for petitioner's failure to prove that the entities to whom it rendered services are non-resident foreign corporations located outside the Philippines.

Petitioner's adjusted valid VAT zero-rated sales for the four quarters of 2009 amount to ₱595,566,114.60.[40] In Our Decision, the amount of ₱24,420,542.94 input VAT was attributed to the entire zero-rated sales declared by petitioner in the amount of ₱2,070,261,775.50.

For all the foregoing, the recomputed valid zero-rated sales of petitioner is ₱595,566,114.60, with an input VAT attributable thereto, amounting to ₱6,785,362.73, computed as follows:

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total
Valid Zero-Rated Sales	₱213,467,038.52	₱118,430,969.00	₱150,286,053.41	₱113,382,053.67	₱595,566,114.60
Divide by Total Declared Zero-Rated Sales	620,201,395.33	508,595,820.63	469,176,463.98	472,288,095.56	2,070,261,775.50
Multiplied by Excess Input VAT	5,584,529.39	10,025,018.11	5,153,432.82	3,657,562.62	24,420,542.94
Excess Input VAT attributable to Valid Zero-Rated Sales	**₱ 1,922,138.45**	**₱ 2,334,412.83**	**₱ 1,650,741.54**	**₱ 878,069.90**	**₱ 6,785,362.73**

Petitioner, therefore, has sufficiently proved its entitlement to a refund or issuance of a tax credit certificate in the amount of ₱6,785,362.73,[41] representing its unutilized excess input VAT attributable to its zero-rated sales for the four taxable quarters of 2009.

WHEREFORE, premises considered, petitioner's "**Motion for Partial Reconsideration**" is hereby **PARTIALLY GRANTED.** Accordingly, the dispositive portion of Our Decision dated August 14, 2013 is hereby amended to read, as follows:

> "**WHEREFORE**, premises considered, the instant Petition for Review is hereby **PARTIALLY GRANTED**. Accordingly, respondent Commissioner of Internal Revenue is hereby **ORDERD** to **REFUND** or to **ISSUE A TAX CREDIT CERTIFICATE** in favor of petitioner Chevron Holdings, Inc. [formerly Caltex (Asia) Limited] in the reduced amount of **SIX**

[39] ₱2,070,261,775.50 less ₱409,127,980.26 less ₱186,438,134.34

[40] ₱409,127,980.26 plus ₱7,636,951.51 plus ₱178,801,182.83

[41] The amount of ₱4,623,001.60 granted in the Decision dated August 14, 2013 is already included in the total amount of ₱6,785,362.73.

MILLION SEVEN HUNDRED EIGHTY FIVE THOUSAND THREE HUNDRED SIXTY TWO PESOS and 73/100 (₱6,785,362.73), representing petitioner's unutilized and excess input VAT attributable to its zero-rated sales of services to its affiliate companies for the four quarters of 2009.

SO ORDERED."

SO ORDERED.

ROMAN G. DEL ROSARIO
Presiding Justice

WE CONCUR:

ERLINDA P. UY
Associate Justice

CIELITO N. MINDARO-GRULLA
Associate Justice

CERTIFICATION

Pursuant to Section 13 of Article VIII 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.

ROMAN G. DEL ROSARIO
Presiding Justice