REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

EN BANC

ENCORE RECEIVABLE MANAGEMENT, INC., Petitioner,	**CTA EB NO. 2937** (CTA Case No. 10062)
	Present:
- versus -	**RINGPIS-LIBAN,** *P.J.,* **BACORRO-VILLENA, MODESTO-SAN PEDRO, REYES-FAJARDO, CUI-DAVID, FERRER-FLORES,** *and* **ANGELES** *JJ.*
COMMISSIONER OF INTERNAL REVENUE, Respondent.	Promulgated: MAY 19 2026 4:18 p.m.

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RESOLUTION

FERRER-FLORES, J.:

For resolution is petitioner's **Motion for Reconsideration (Re: Honorable Court of Tax Appeals – En Banc's Decision dated 11 November 2025)** filed on December 1, 2025,[1] with respondent's **Comment (Against Petitioner's Motion for Reconsideration dated December 01, 2025)** filed on January 20, 2026.[2]

On November 11, 2025, the Court promulgated a Decision (assailed Decision) denying the *Petition for Review* for lack of merit, the dispositive portion of which reads as follows:

> **WHEREFORE**, in light of the foregoing considerations, the instant **Petition for Review** is hereby **DENIED** for lack of merit. Accordingly, the assailed Decision, dated December 6, 2023 and the assailed Resolution,

[1] *Rollo*, pp. 97 to 129.
[2] *Id.* at 134 to 139.

dated May 23, 2024, of the Court in Division in CTA Case No. 10062 are hereby **AFFIRMED**.

SO ORDERED.

In its *Motion*, petitioner contends that the Court in Division acquired jurisdiction over the instant case under its "other matters" jurisdiction, irrespective of the time of filing of the *Petition for Review*, on the ground that the assessment for calendar year (CY) 2014 is intrinsically void. Petitioner points out that no Letter of Authority (LOA) was issued for the new revenue officers who continued and completed the tax audit; that even assuming arguendo that a Final Assessment Notice (FAN) or Final Letter of Demand (FLD) was issued, the same is void due to respondent's failure to serve it on petitioner, in violation of due process; that even assuming arguendo the FAN/FLD was validly served, the alleged deficiency taxes have already prescribed; and that, ultimately, no valid FAN/FLD was ever issued by respondent.

Petitioner further argues that the Court in Division acquired jurisdiction over the instant case under Section 7(a)(2) of Republic Act (R.A.) No. 1125,[3] as amended, or decisions of the Commissioner of Internal Revenue (CIR) involving disputed assessments. Petitioner reiterates that it received copies of the Preliminary Collection Letter (PCL) and Final Notice Before Seizure (FNBS) through a third-party company not authorized to receive notices or correspondences relative to its LOA. Since no decision was issued on the deficiency tax assessment, and the PCL and FNBS lacked any factual or legal basis for respondent's decision that the said documents seek to collect, petitioner filed its protest and additional documents based on the PCL and FNBS. Petitioner, thus, maintains that the 30-day period to appeal should be reckoned from the lapse of the 180-day period by the CIR. In which case, it should be calculated from the date it filed its protest and additional documents on the PCL and FNBS, rather than from the date of receipt thereof.

Petitioner contends that, even assuming the *Petition for Review* was filed out of time, the assessment for CY 2014 is intrinsically void for violation of due process. It, thus, prays for the relaxation and suspension of strict procedural rules and begs the Court's kind indulgence to reconsider the Assailed Decision due to the fact that it is the respondent that caused the ambiguity on the steps that petitioner should take in protecting its rights, when these steps should have been straightforward had respondent properly

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[3] xxx xxx xxx

(2) Inaction by the Commissioner of Internal Revenue in cases involving disputed assessments, refunds of internal revenue taxes, fees or other charges, penalties in relation thereto, or other matters arising under the National Internal Revenue Code or other laws administered by the Bureau of Internal Revenue, where the National Internal Revenue Code provides a specific period for action, in which case the inaction shall be deemed a denial;

followed the assessment process. Petitioner asserts that it merely followed in good faith the then prevailing doctrine that a PCL and FNBS are not appealable decisions to the Court and took pains to properly exhaust administrative remedies, only to be placed at a disadvantageous position, as opposed to respondent, who allegedly did not follow its own processes.

Respondent, on the other hand, asserts that petitioner's *Motion for Reconsideration* raises no new matters and merely reiterates arguments already thoroughly considered and correctly rejected by the Court *En Banc*. Respondent emphasizes that Section 228 of the National Internal Revenue Code (NIRC) of 1997, as amended, applies only when a taxpayer receives a FAN/FLD, and not collection letters. Respondent further argues that petitioner's administrative protests were fatally misdirected against mere collection letters, which are not equivalent to an FLD/FAN. Consequently, respondent maintains that the proper remedy was a direct judicial challenge to the PCL and FNBS before this Court, which petitioner failed to pursue within the reglementary period. Finally, respondent underscores that the right to appeal is a mere statutory privilege that must be exercised strictly in the manner and within the period prescribed by law.

The Court finds petitioner's *Motion for Reconsideration* bereft of merit.

Jurisdiction is defined as the power and authority of a court to hear, try, and decide a case. In order for the court or an adjudicative body to have authority to dispose of the case on the merits, it must acquire, among others, jurisdiction over the subject matter.[4] Perforce, it is important that a court or tribunal should first determine whether or not it has jurisdiction over the subject matter presented before it, considering that any act that it performs without jurisdiction shall be null and void, and without any binding legal effects.[5]

As laid down in the assailed Decision, the principal issue raised by petitioner before the Court in Division is whether respondent's collection efforts, through the issuance of the PCL dated June 6, 2018 and FNBS dated June 18, 2018, are void for failure to issue a FAN or FLD, and whether respondent's right to assess taxes has already prescribed.

The Court has already ruled that the issuance of these collection letters was pursuant to the CIR's power to collect arising under the NIRC of 1997, as amended. Thus, they fall within the scope of "other matters" over which this Court has jurisdiction.

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[4] *Glynna Foronda-Crystal vs. Aniana Lawas Son*, G.R. No. 221815, November 29, 2017.
[5] *Bernadette S. Bilag, et. al. v. Estela Ay-ay, et. al.*, G.R. No. 189950, April 24, 2017.

Accordingly, the present case cannot be treated as one involving a disputed assessment where Section 228 of the NIRC of 1997, as amended, would apply. Rather, it properly falls under acts of respondent on "other matters" arising from the NIRC of 1997, as amended, and other laws administered by the BIR. Petitioner should, therefore, have filed its judicial appeal within the period provided under Section 11 of R.A. No. 1125,[6] as amended by R.A. No. 9282,[7] which provides:

> SEC. 11. Who May Appeal; Mode of Appeal; Effect of Appeal. — **Any party adversely affected by a decision, ruling** or inaction of the **Commissioner of Internal Revenue**, the Commissioner of Customs, the Secretary of Finance, the Secretary of Trade and Industry or the Secretary of Agriculture or the Central Board of Assessment Appeals or the Regional Trial Courts **may file an appeal with the CTA within thirty (30) days after the receipt of such decision or ruling** or after the expiration of the period fixed by law for action as referred to in Section 7(a)(2) herein. x x x (*Emphasis supplied*)

It must be stressed that since a Petition for Review is a form of appeal, non-compliance with the foregoing rule may render the same dismissible. This is in furtherance of the well-settled rule that "the right to appeal is not a natural right or a part of due process; it is merely a statutory privilege and may be exercised only in the manner and in accordance with the provisions of law. A party who seeks to avail of the right must, therefore, comply with the requirements of the rules, failing which the right to appeal is invariably lost." Verily, compliance with procedural rules is a must, "since they are designed to facilitate the adjudication of cases to remedy the worsening problem of delay in the resolution of rival claims and in the administration of justice."[8]

In the present case, petitioner received the PCL dated June 6, 2018 on June 11, 2018, and the FNBS dated June 18, 2018 on June 26, 2018. Counting 30 days from receipt of the PCL and FNBS, petitioner had until July 11, 2018, or July 26, 2018, respectively, to file an appeal before this Court. Petitioner, however, filed its *Petition for Review* only on April 8, 2019, well beyond the prescribed period. The appeal is therefore time-barred.

Furthermore, the Court finds that the grounds relied upon in petitioner's *Motion for Reconsideration* necessarily delve into the merits of the case, which is beyond the jurisdiction of the Court. While it is settled that that an invalid assessment bears no valid fruit, the authority to declare the nullity of the subject assessments presupposes that the Court possesses authority to adjudicate the present controversy. In this instance, petitioner's failure to

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6 An Act Creating the Court of Tax Appeals, June 16, 1954.

7 An Act Expanding the Jurisdiction of the Court of Tax Appeals (CTA), Elevating its Rank to the Level of a Collegiate Court with Special Jurisdiction and Enlarging its Membership, Amending for the Purpose Certain Sections of Republic Act No. 1125, as Amended, otherwise known as the Law Creating the Court of Tax Appeals, and for Other Purposes, March 30, 2004.

8 *Marlon Curammeng y Pablo vs. People of the Philippines*, G.R. No. 219510, November 14, 2016.

comply with the 30-day period to appeal bars the remedy and divests this Court of jurisdiction to entertain and determine the merits of the case.

In view of the foregoing disquisitions, this Court finds no compelling reason to justify the reversal or any modification of the assailed Decision.

ACCORDINGLY, petitioner's **Motion for Reconsideration (Re: Honorable Court of Tax Appeals – En Banc's Decision dated 11 November 2025)** is **DENIED** for lack of merit.

SO ORDERED.

CORAZON G. FERRER-FLORES
Associate Justice

WE CONCUR:

MA. BELEN M. RINGPIS-LIBAN
Presiding Justice

I reiterate my Dissenting Opinion.
JEAN MARIE A. BACORRO-VILLENA
Associate Justice

MARIA ROWENA MODESTO-SAN PEDRO
Associate Justice

(On Official Business)

MARIAN IVY F. REYES-FAJARDO
Associate Justice

LANEE S. CUI-DAVID
Associate Justice

HENRY S. ANGELES
Associate Justice