CTA Form No. 8 (For DCC)

22-000568-0053

REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

SPECIAL FIRST DIVISION

CTA CASE NO. 11037

PRO STAR SPORTS PHILIPPINES, INC.,
Petitioner,

- versus -

NOTICE OF RESOLUTION

COMMISSIONER OF INTERNAL REVENUE,
Respondent.

To:

OFFICE OF THE SOLICITOR GENERAL
134 Amorsolo Street, Legazpi Village
Makati City

ATTY. JUFFALI A. ABDULLAH
Bureau of Internal Revenue
Legal Division, Revenue Region No.7B - East NCR
25th Floor, The Podium-West Tower
ADB Avenue, Ortigas Center
Mandaluyong City

GALIAS & RIVERA LAW OFFICES
3/F Prestige Tower, F. Ortigas Jr. Road
Ortigas Center, Pasig City 1605

GREETINGS:

You are hereby notified by these presents that on **February 24, 2026,** a Resolution was rendered in the above-entitled case, copy of which is attached hereto.

Quezon City, Philippines, **February 25, 2026.**

Atty. Maria Johoanna F. Chan-Te
Executive Clerk of Court III

REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
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SPECIAL FIRST DIVISION

PRO STAR SPORTS PHILIPPINES, INC.,
Petitioner,

- versus -

COMMISSIONER OF INTERNAL REVENUE,
Respondent.

CTA CASE NO. 11037

Members:

BACORRO-VILLENA, *Acting Chairperson, and*
CUI-DAVID, *JJ.*

Promulgated:

FEB 24 2026 2:52 p.m.

x- -x

RESOLUTION

CUI-DAVID, J.:

This resolves respondent's *Motion for Reconsideration (of Decision dated June 20, 2025) [Motion],*[1] filed July 15, 2025, without petitioner's comment/opposition, as reflected in the *Records Verification Report* dated January 16, 2026.

Respondent seeks reconsideration of the Court's *Decision*[2] promulgated on June 20, 2025 (*assailed Decision*), the dispositive portion of which reads:

> **WHEREFORE**, premises considered, the instant *Petition for Review* is hereby **GRANTED**. Accordingly, the Formal Letters of Demand (Part I and Part II) and Assessment Notices, all dated October 13, 2016, assessing petitioner Pro Star Sports Philippines, Inc. of deficiency Income Tax and Compromise Penalty in the aggregate amount of ₱9,105,248.69, inclusive of interest, are **CANCELLED** and **SET ASIDE**.
>
> Furthermore, respondent Commissioner of Internal Revenue or any person acting on his behalf is **ENJOINED** and

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[1] Docket, pp. 449-455.
[2] *Id.* at 432-448.

PROHIBITED from collecting the amount of ₱9,105,248.69 from petitioner.

SO ORDERED.

Respondent anchors his *Motion* on the sole ground that:

> RESPECTFULLY, THE HONORABLE COURT ERRED IN CANCELLING AND SETTING ASIDE THE FORMAL LETTER OF DEMAND AND ASSESSMENT NOTICES ISSUED BY THE RESPONDENT.

According to respondent, the Court relied on the pronouncements in *Medicard Philippines, Inc. v. Commissioner of Internal Revenue*[3] *(Medicard)*, where the Supreme Court elucidated the importance of the authority of the Revenue Officer (RO) in the performance of assessment functions.

Respondent, however, argues that *Medicard* does not apply to the instant case, claiming that the facts and issue therein materially differ from those at bar.

Respondent also submits that the pronouncement in *Commissioner of Internal Revenue v. McDonald's Philippines Realty Corp.*,[4] is inapplicable. He maintains that the non-issuance of a new Letter of Authority (LOA) does not usurp the statutory power of the Commissioner of Internal Revenue (CIR), or his duly authorized representative, to examine the books of accounts of a taxpayer. According to respondent, what is important is that the audit of the taxpayer was previously authorized by an LOA and that only such taxpayer may be subject to examination by the ROs.

Respondent further asserts that reliance on Revenue Memorandum Order (RMO) No. 43-90[5] concerning the issuance of a new LOA in cases of reassignment or transfer of cases to another RO, is untenable. Citing RMO No. 8-2006, respondent argues that only one LOA per taxable year may be issued to a taxpayer. Hence, he claims that the issuance of a Memorandum of Assignment to other ROs suffices to continue the audit under the previously issued LOA.

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3 G.R. No. 222743, April 5, 2017 [Per J. Reyes, Third Division].
4 G.R. No. 242670, May 10, 2021 [Per J.Lopez, J., Third Division].
5 SUBJECT: *Amendment of Revenue Memorandum Order No. 37-90 Prescribing Revised Policy Guidelines for Examination of Returns and Issuance of Letters of Authority to Audit.*

Despite being afforded the opportunity to do so, petitioner failed to file its comment or objection to respondent's *Motion.*

Accordingly, the Court now resolves the *Motion.*

Respondent's *Motion* must fail.

First, respondent's *Motion for Reconsideration* was filed beyond the 15-day reglementary period.

In the landmark case of *National Power Corporation v. National Labor Relations Commission*[6] (NAPOCOR), later echoed in *Commissioner of Customs v. Court of Tax Appeals,*[7] the Supreme Court aptly declared that service of legal processes upon the principal counsel, and not upon deputized lawyers, is decisive, thus:

> First. Petitioner was represented in the CTA by the Office of the Solicitor General which deputized lawyers in the Legal Service Division of the Bureau of Customs to serve as collaborating counsels. In accordance with this arrangement, lawyers in both offices (Bureau of Customs and the OSG) were served copies of decisions of the CTA. The lawyers at the Bureau received a copy of the decision of the CTA on May 30, 1997, while the OSG received its own on June 5, 1997. As earlier stated, the OSG filed its motion for reconsideration on June 20, 1997. Counted from this date, the motion was seasonably filed, but if the period for appealing or filing a motion for reconsideration were reckoned from the date of receipt of the decision by the lawyers of the Bureau of Customs, then the motion was filed five days late. The Court of Appeals ruled that service of the copy of the CTA decision on the lawyers of the Bureau of Customs was equivalent to service on the OSG, and, therefore, the motion for reconsideration was filed late.
>
> This is error. *In National Power Corp. v. NLRC, it was already settled that although the OSG may have deputized the lawyers in a government agency represented by it, **the OSG continues to be the principal counsel, and, therefore, service on it of legal processes**, and not that on the deputized lawyers, **is decisive**...* (*Emphasis and italics supplied*)

Clearly, when a party is represented by multiple counsel, such as when the principal counsel (*e.g.*, the Office of the Solicitor General) deputizes lawyers from the government

[6] G.R. No. 90933-61, May 29, 1997.
[7] G.R. No. 132929, March 27, 2022.

agency it represents, **the receipt by the principal counsel is binding and governs the computation of the 15-day reglementary period**.

In this case, the records reveal that respondent's principal counsel – the Office of the Solicitor General – received the assailed *Decision* on June 26, 2025. Counting 15 days from June 26, 2025, respondent had until **July 11, 2025** to file a motion for reconsideration.

However, respondent filed the instant *Motion for Reconsideration (of Decision dated June 20, 2025)* only on **July 15, 2025**, beyond the 15-day reglementary period.

Accordingly, the *Motion* was filed out of time.

Second, even assuming that the instant *Motion* was timely filed, it would still be denied for lack of merit.

A careful perusal of the allegations in the subj*ect Motion for Reconsideration* shows that respondent raises no new or substantial arguments that would warrant a departure from the previous conclusion and finding of the Court. The issues and arguments raised by respondent have already been passed upon, amply discussed, and considered in the assailed *Decision.*

On this point, the Supreme Court's pronouncement in *Social Justice Society (SJS) Officers, et al. vs. Lim*,[8] is instructive:

> "The filing of a motion for reconsideration, authorized by Rule 52 of the Rules of Court, does not impose on the Court the obligation to deal individually and specifically with the grounds relied upon therefor, in much the same way that the Court does in its judgment or final order as regards the issues raised and submitted for decision. This would be a useless formality or ritual invariably involving merely a reiteration of the reasons already set forth in the judgment or final order for rejecting the arguments advanced by the movant; and it would be a needless act, too, with respect to issues raised for the first time, these being, as above stated, deemed waived because not asserted at the first opportunity. **It suffices for the Court to deal generally and summarily with the motion for reconsideration, and merely state a legal ground for its denial (Sec. 14, Art. VIII, Constitution); i.e., the motion contains merely a reiteration or rehash of arguments already submitted to and pronounced without**

[8] G.R. No. 187836, March 10, 2015.

> **merit by the Court in its judgment, or the basic issues have already been passed upon, or the motion discloses no substantial argument or cogent reason to warrant reconsideration or modification of the judgment or final order; or the arguments in the motion are too unsubstantial to require consideration, etc.**" (*Boldfacing supplied*)

Considering that the grounds relied upon merely reiterate issues already passed and resolved by the Court, there exists neither reason nor justification to set aside or modify the assailed *Decision* dated June 20, 2025.

ACCORDINGLY, respondent's *Motion for Reconsideration (of Decision dated June 20, 2025)* is hereby **DISMISSED**, for having been filed out of time.

SO ORDERED.

LANEE S. CUI-DAVID
Associate Justice

I CONCUR:

JEAN MARIE A. BACORRO-VILLENA
Associate Justice