

REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

EN BANC

MANULIFE DATA SERVICES, CTA EB NO. 2921
INC., (CTA Case No. 9881)
Petitioner,

- versus -

COMMISSIONER OF
INTERNAL REVENUE,
Respondent.

x-----x

COMMISSIONER OF CTA EB NO. 2922
INTERNAL REVENUE, (CTA Case No. 9881)
Petitioner,

Present:

- versus -

RINGPIS-LIBAN, P.L.,
BACORRO-VILLENA,
MODESTO-SAN PEDRO,
REYES-FAJARDO,
CUI-DAVID ,
FERRER-FLORES, and
ANGELES, II.

MANULIFE DATA SERVICES,
INC.,
Respondent.

Promulgated:

MAY 25 2026

x-----x

3:58 p.m.

RESOLUTION

For the Court *En Banc*'s resolution is the Commissioner of
Internal Revenue's (CIR's) "Motion for Reconsideration (Re: Decision

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promulgated 2[9] October 2025 [**assailed Decision**])”¹ (MR) of the assailed Decision,² filed on 12 November 2025 and emailed on 13 November 2025, with the Manulife Data Services, Inc.’s (MDSI’s) Comment³ thereto filed and emailed on 20 November 2025.

To recall, in the assailed Decision, the Court *En Banc* granted MDSI’s Petition for Review in **CTA En Banc No. 2921** and affirmed, with modification as to the refundable amount, the Special Third Division’s Decision dated 23 November 2023 and Resolution dated 02 May 2024 in CTA Case No. 9881, entitled *Manulife Data Services, Inc. v. Commissioner of Internal Revenue*. Accordingly, the Court *En Banc* directed the CIR to refund to MDSI the increased amount of **₱26,597,771.44**, representing MDSI’s excess and unutilized input VAT attributable to its zero-rated sales for the four (4) quarters of the calendar year (CY) 2016. Conversely, the Court *En Banc* denied the CIR’s Petition for Review in **CTA En Banc No. 2922** for lack of merit.

The Court *En Banc* reconsidered the Special Third Division’s disallowance of MDSI’s sales of services to The Manufacturers Life Insurance Company (MLIC) amounting ₱2,190,313,830.94. In doing so, the Court *En Banc* ruled that MDSI sufficiently established that its client, MLIC, is a nonresident foreign corporation (NRFC) doing business outside the Philippines.

Contrary to the Special Third Division’s finding, the Court *En Banc* sustained petitioner’s claim that MLIC’s Letters Patent of Amalgamation and Order to Commence and Carry on Business, both dated 30 December 2004,⁴ Letters Patent dated 19 March 1987,⁵ Letters Patent of Amalgamation dated 30 December 2004,⁶ Certificate of Confirmation dated 27 April 2010,⁷ and Certificate of Good Standing dated 16 April 2010⁸ (collectively, “**Letters Patent**”) met the *Commissioner of Internal Revenue v. Deutsche Knowledge Services Pte. Ltd.*⁹ (**Deutsche Knowledge Services**) standard for “competent 

¹ *Rollo*, pp. 241-250.

² *Id.*, pp. 175-220.

³ *Id.*, pp. 280-285.

⁴ Exhibit “P-74”, Marked Exhibits Envelope 2.

⁵ Exhibit “P-74-a”, *id.*

⁶ Exhibit “P-74-b”, *id.*

⁷ Exhibit “P-74-c”, *id.*

⁸ Exhibit “P-74-d”, *id.*

⁹ G.R. No. 234445, 15 July 2020.

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evidence” of the *second component* of NRFC status (*i.e.*, that the client is not doing business in the Philippines).

In the instant MR, the CIR seeks the reconsideration and setting aside of the assailed Decision. Petitioner first argues that the Letters Patent — submitted in lieu of a certificate or articles of incorporation — do not sufficiently establish that MLIC is an NRFC. According to the CIR, a certificate or articles of incorporation constitutes the best evidence of registration in a foreign country. In the absence of such document, the CIR contends that MDSI failed to prove that it rendered services to an NRFC.

Second, the CIR echoes the dissent of Associate Justice Henry S. Angeles in arguing that when the Bureau of Internal Revenue (BIR) denies an administrative claim for refund solely on the ground of failure to submit proof of a client’s NRFC status, the Court of Tax Appeals’ (CTA’s) review must remain strictly confined to the evidence presented, marked, formally offered, and admitted during trial, which likewise formed the evidentiary basis of the CIR’s administrative ruling.

Considering that a Letter dated 30 May 2018¹⁰ (**Denial Letter**) was issued in this case, the CIR insists that the ruling in *Pilipinas Total Gas, Inc. v. Commissioner of Internal Revenue*¹¹ (**Total Gas**) squarely applies. The CIR argues that, under *Total Gas*, when a definitive ruling is issued denying an administrative claim, the CTA must confine its review to the record upon which the administrative decision rests, subject to the formal offer of the same documents during trial. Petitioner further emphasizes that *Total Gas* distinguishes this situation from instances of inaction, where the CTA may admit and consider evidence not previously submitted at the administrative level.

On the other hand, in its Comment, MDSI asserts that the assailed Decision correctly ruled that its submission of MLIC’s Letters Patent satisfies the criteria laid down in *Deutsche Knowledge Services* to establish that MLIC is a foreign corporation not engaged in trade or business in the Philippines.

¹⁰ Exhibit “R-4”, BIR Records, p. 501; Par. 1(d), I. Stipulation of Facts, JSFI, Division Docket, Volume IV, p. 1635.

¹¹ G.R. No. 207112, 08 December 2015.

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MDSI agrees with this Court's finding that the certificate or articles of incorporation does not constitute the exclusive evidence to prove that a client is duly registered in its home country outside the Philippines. MDSI emphasizes that the use of the term "e.g." in *Deutsche Knowledge Services* indicates that articles of association or certificates of incorporation, while preferred, form part of a non-exclusive and merely illustrative enumeration of the types of evidence that a taxpayer may present to establish such status.

Additionally, MDSI invokes the ruling in *Philippine Airlines, Inc. v. Commissioner of Internal Revenue*¹² (PAL) to argue that the CTA does not limit its review to the evidence presented during the administrative proceedings before the BIR. It asserts that a taxpayer-claimant may present new and additional evidence before the CTA to support a claim for tax refund.

MDSI further maintains that the CTA may admit and consider evidence even if the taxpayer did not present such evidence at the administrative level, since cases filed before the CTA are litigate *de novo*.¹³ According to MDSI, what remains controlling in the determination of a judicial claim for tax credit or refund is the evidence formally offered and admitted before the CTA, regardless of the evidence previously submitted during the administrative stage.¹⁴

We resolve.

The Court *En Banc* finds the instant MR unmeritorious.

At the outset, the Court *En Banc* rejects the CIR's insistence that a certificate or articles of incorporation constitutes the only competent proof of a client's status as an NRFC. As explained in the assailed Decision, *Deutsche Knowledge Services* does not limit the proof of NRFC status to a single class of documents. On the contrary, the Supreme Court expressly used the term "e.g." in referring to certificates of incorporation and similar documents, thereby indicating that such enumeration remains illustrative and not exclusive. 

¹² G.R. Nos. 206079-80 & 206309, 17 January 2018.

¹³ *Commissioner of Internal Revenue v. Philippine National Bank*, G.R. No. 180290, 29 September 2014.

¹⁴ *Commissioner of Internal Revenue v. Philippine Bank of Communications*, G.R. No. 211348, 23 February 2022.

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Consistent with the foregoing doctrine, We affirm our finding that MLIC's Letters Patent sufficiently establish its juridical existence under foreign law and its authority to conduct business outside the Philippines. The documents comprising the Letters Patent, taken together, constitute competent and credible evidence of MLIC's corporate registration and operations in its home jurisdiction.

As emphasized in the assailed Decision, the Letters Patent satisfy the *Deutsche Knowledge Services* standard for "competent evidence" of the *second component* of NRFC status (*i.e.*, that the client is not doing business in the Philippines). This conclusion rests on the following considerations: (1) a sovereign authority issued the documents; (2) the documents confer legal existence and business authority; (3) the documents establish that MLIC lawfully operates in Canada; and (4) the documents fulfill the same evidentiary function as articles of association or certificates of incorporation recognized in the Philippines. Nothing in *Deutsche Knowledge Services* requires the rejection of such evidence solely because it does not take the form of a certificate or articles of incorporation.

Moreover, the CIR has not demonstrated any legal or factual basis to disregard the probative value of the Letters Patent. The CIR merely asserts preference for another type of document but does not dispute the authenticity, due execution, or legal effect of the documents submitted MDSI. Such bare assertion does not overcome the evidentiary weight accorded to duly issued foreign corporate documents.

The Court *En Banc* likewise finds untenable petitioner's reliance on *Total Gas*.

In *Total Gas*, the Supreme Court clarified the distinction between cases involving administrative inaction and those involving a definitive denial by the CIR. While the High Court recognized that, in cases of inaction, the CTA may admit evidence not previously submitted at the administrative level, it did not categorically prohibit the CTA from receiving additional evidence in cases where the CIR issued a denial. 

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Rather, *Total Gas* underscores that “a taxpayer cannot cure its failure to submit a document requested by the BIR at the administrative level by filing the said document before the CTA.”¹⁵ This rule necessarily presupposes the existence of a prior request by the BIR for the submission of additional documents during the administrative proceedings. Absent such a request, a taxpayer cannot be precluded from presenting evidence before the CTA, as judicial proceedings therein remain governed by the rules on evidence, including the requirement that documents be formally offered during trial.

In this case, it must be emphasized that MDSI presented, identified, and formally offered the Letters Patent during trial. These documents form part of the evidentiary record upon which the Special Third Division based its findings. Notably, the CIR did not show that respondent failed to submit documents specifically requested by the BIR during the administrative proceedings. In the absence of such failure, MDSI cannot be precluded from presenting evidence before the CTA, and the prohibition against curing evidentiary deficiencies at the judicial level does not apply.

It bears reiterating that *Total Gas* is not on all fours with the present case for the reasons discussed in the assailed Decision, viz:¹⁶

...

Firstly, *Total Gas* was decided under RMC No. 49-2003, which permitted therein respondent to request additional documents from taxpayers to substantiate their claims. In contrast, the present case falls under RMC No. 54-2014, as amended by RMC No. 17-2018, which mandates that a complete set of supporting documents must accompany the refund application at the administrative level.

Secondly, the *ratio decidendi* in *Total Gas* squarely resolves the issue of when to reckon the running of the 120 (now 90)-day period, whereas the present case concerns the submission of additional documents before the CTA.

Thirdly, while *Total Gas* underscores the taxpayer's duty to establish compliance with “all the documentary and evidentiary requirements for an administrative claim” such compliance may be discerned from the Revised Checklist, which is a prescribed 

¹⁵ Supra at note 11.

¹⁶ Citations omitted, emphasis and italics in the original text.

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requirement under RMC No. 54-2014, as amended by RMC No. 17-2018. The said Revised Checklist confirms that MDSI submitted documents before the BIR, although the Denial Letter later deemed the submission incomplete. Notably, the Third Division admitted the Revised Checklist (i.e., Annex A.1 of RMC No. 17-2018) into evidence when it was formally offered to prove that MDSI had been properly informed of the required documents for the audit of its refund claim.

In the assailed Decision, the Special Third Division ruled that MDSI's submission of consularized charter documents from its NRFC clients—despite the absence of certifications from the authorized officials of those NRFCs—constituted substantial compliance, viz:

...

Indeed, the requirement for the submission of certificate of incorporation from the foreign country certified by an authorized official of the NRFC is found in Annex A.1 (*Revised Checklist of Mandatory Requirements for Claims for VAT Refund, Pursuant to Section 112 (A) of the Tax Code, as Amended by R.A. No. 10963*) of RMC No. 17-2018, to wit:

3. SALE OF GOODS OR SERVICES

...

- 3.4 For sale of services to non-resident foreign corporation (NRFC) covered under Sec. 108 (B) (2), proofs that the NRFC-buyer of the services is not doing business in the Philippines (*e.g.*, **Original copy of the certification from the SEC that the NRFC is not a registered corporation in the Philippines and a certificate of incorporation from the foreign country as certified by an authorized official of the NRFC**)

However, a reading of item 3.4 of Annex A.1 (*Revised Checklist of Mandatory Requirements for Claims for VAT Refund, Pursuant to Section 112 (A) of the Tax Code, as Amended by R.A. No. 10963*) shows that it does not aim to restrict or confine the supporting documents only to those specifically mentioned as the abbreviation "e.g." was, in fact, intentionally placed at the beginning of the provision:

e.g., Original copy of the certification from the SEC that the NRFC is not a registered corporation in the Philippines and a certificate of incorporation from the foreign country as certified by an authorized official of the NRFC

Hence, [the CIR]'s interpretation is inaccurate.



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The abbreviation “e.g.” stands for the Latin words “*exempli gratia*,” which simply means “for the sake of an example.” It is thus apparent that the amendment to item 3.4 of Annex A.1 did not contemplate any restriction on the documentary requirements that may be submitted by the taxpayer to prove that its NRFC clients are not doing business in the Philippines. Thus, We find [MDSI]’s contention meritorious that the submission of *consularized charter documents* of its clients, *sans* certification of the authorized officials of the respective NRFCs, should have been considered *substantial compliance*.

...

Thus, contrary to the CIR’s contention and hereby sustaining the Special Third Division’s disquisition above, MDSI’s submission of **supporting documents** was correctly deemed **complete**.

Lastly, the ruling in *Total Gas* on the exclusion of additional evidence submitted before the Court is premised on the existence of a prior request for additional documents at the administrative level. In contrast, in this case, the CIR made no such request. Instead, the CIR merely disapproved MDSI’s refund claim solely on the ground that the Certificate of Incorporation from the foreign country of MDSI’s NRFC clients lacked accompanying certification from an authorized official of the respective NRFCs, as stated in the Denial Letter.

All things considered, MDSI’s failure to show that the documents submitted before the Third Division are the same or identical to those submitted at the administrative level is **not fatal** to its claim in the judicial level.

...

More importantly, jurisprudence consistently characterizes proceedings before the CTA as litigated *de novo*. As held in *PAL*, “[t]he power of the [CTA] to exercise its appellate jurisdiction does not preclude it from considering evidence that was not presented in the administrative claim in the [BIR].”

Similarly, in *Commissioner of Internal Revenue v. Univation Motor Philippines, Inc. (formerly Nissan Motor Philippines, Inc.)*,¹⁷ the Supreme Court held that “cases filed in the CTA are litigated *de novo*” and that “the CTA may give credence to all evidence presented by [the taxpayer], including those that may not have been submitted to the CIR as the case is being essentially decided in the first instance.”



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These rulings underscore that the CTA does not act as a mere reviewing body of administrative determinations. Rather, it exercises original jurisdiction to receive evidence, evaluate facts, and resolve claims based on the totality of evidence formally offered and admitted before it.

The CIR’s position unduly restricts the CTA’s authority and disregards the nature of its proceedings. To adopt the CIR’s argument would effectively penalize taxpayers for perceived deficiencies at the administrative level, even when competent evidence exists and has been properly presented before the CTA. Such a restrictive approach finds no support in law or jurisprudence.

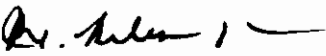
All told, the Court *En Banc* finds no cogent reason to reverse or modify the assailed Decision.

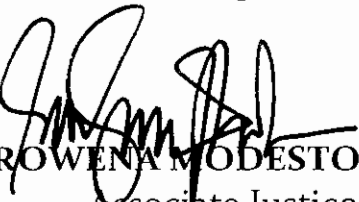
WHEREFORE, in light of the foregoing considerations, the Commissioner of Internal Revenue’s “Motion for Reconsideration (Re: Decision promulgated 2[9] October 2025),” filed on 12 November 2025, is hereby **DENIED** for lack of merit.

SO ORDERED.


JEAN MARIE A. BACORRO-VILLENA
Associate Justice

WE CONCUR:

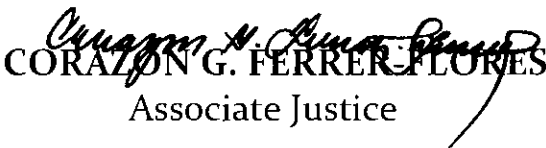

MA. BELEN M. RINGPIS-LIBAN
Presiding Justice


MARIA ROWENA MODESTO-SAN PEDRO
Associate Justice

ON LEAVE
MARIAN IVY F. REYES-FAJARDO
Associate Justice



LANEE S. CUI-DAVID
Associate Justice



CORAZON G. FERRER-FLORES
Associate Justice



HENRY S. ANGELES
Associate Justice