REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

SPECIAL THIRD DIVISION

SL HARBOR BULK TERMINAL CORPORATION, *Petitioner,*	**CTA Case No. 10715**
	Members: **REYES-FAJARDO,** *Chairperson,* and
- versus -	**ANGELES,** *JJ.*
COMMISSIONER OF INTERNAL REVENUE, *Respondent.*	Promulgated: JUL 20 2026 4:22 p.m.

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RESOLUTION

REYES-FAJARDO, ***J.*:**

By Decision dated January 17, 2025,[1] this Court denied petitioner's refund claim of ₱111,187,111.50, allegedly representing its illegally or erroneously collected excise taxes on imported petroleum products, which were subsequently sold to tax-exempt entities for Taxable Year (TYs) 2019 and 2020, instituted under Section 204(C), in relation to Section 229 of the 1997 National Internation Revenue Code (NIRC), as amended. In so denying, the Court held: *first,* there was no proof of payment of excise taxes pertaining to the 2019 importation; and *second,* petitioner's failure to produce the Official Registry Books (ORBs) for TY 2020, pertinent to said imported petroleum products, is fatal to its cause.

Dissatisfied, petitioner posted its Motion for Reconsideration ("Motion")[2] on February 5, 2025, insisting that its failure to present the ORBs is *not* enough reason to entirely reject its 2020 excise tax refund

1 *Id.* at pp. 847-865.
2 Docket - Volume II, pp. 869-881.

claim. According to petitioner, the totality of evidence, *i.e.*, the buyer's tax-exemption certificates, sales invoices, official receipts, and the testimonies of its witnesses, collectively shows that the petroleum products were sourced from its 2020 importations, the excise taxes on which, were illegally collected by the BIR.

In its Comment (Re: Motion for Reconsideration dated 05 February 2025),[3] filed on January 20, 2026, respondent counters that the assailed Decision is supported by law and petitioner has failed to demonstrate any reversible error warranting its reconsideration.

Petitioner's Motion for Recomsideration is denied.

First. The standard of proof, even in tax refund claims, is merely preponderance of evidence.[4] *Spouses Nerosa v. Aldanese (Aldanese)* explained that "... Preponderance of evidence is the evidence that is of greater weight, or more **convincing**, than the evidence offered in opposition to it. It is proof that leads the trier of facts to find that the existence of the contested fact is **more probable** than its non-existence. Conversely, if the evidence is *not* convincing or when the non-existence of the contested fact is more probable, then preponderance of evidence was not met.

Petitioner failed to prove its case by preponderance of evidence.

Petitioner alleges that its petroleum products it sold to tax-exempt entities for TY 2020 were sourced from its importations made from March to December 2020 importations. Yet, the precise document, *i.e.*, ORBs, to prove the same, were not presented in evidence.

Section 41 of Revenue Regulations (RR) No. 13-77 underscores the function and significance of ORBs:

> SECTION 41. Records to be kept by importers. — **Every person or entity engaged in the importation of petroleum**

3 *Id.*, pp. 895-899.
4 See *Tullett Prebon (Philippines), Inc. v. Commissioner of Internal Revenue*, G.R. No. 257219, July 15, 2024.

> **products shall keep an official register book** wherein shall be entered the following;
>
> (a) On the debit side — Date of arrival of the importations, subsidiary document reference (e.g. Customs Formal Entry), kind of product, quantity actually received, amount of specific taxes paid, number and date of the covering official receipt payment.
>
> (b) On the credit side — Date of removal, consignee and address, kind of product removed, quantity, and remarks.
>
> (c) Resumé — At the end of the month, the importer shall prepare a resumé which shall show the totals of the beginning balance, the importations for the month, the sales for the month, and finally the ending balance. These records should be submitted to the Chief, Gasoline & Miscellaneous Tax Division on or before the 8th day of the succeeding month.
>
> **The importer shall certify that the entries on the page of the transcript sheets contain a true and correct account of all petroleum products imported during the month, for the debit side, and the petroleum products removed, sold or disposed of, in the case of the credit side.** The books of account shall be subject to periodic verification. Boldfacing supplied.

Indeed, Section 41 of RR No. 13-77 is explicit in that the ORB contains the true and correct account of all petroleum products imported during the month, along with the petroleum products, removed, sold, or disposed of by the importer. Otherwise stated, the ORB is the document providing the complete picture as regards *movement* of the imported petroleum products per month.

Petitioner did present ORBs for the months of January and February 2020 and explained that these documents pertained to imported petroleum products remaining in TY 2019. The pertinent ORBs for the period of March to December 2020 were neither offered, nor admitted in evidence. It means that there is no proof linking the 2020 excise taxes to be refunded, with the movement of petroleum products withdrawn for TY 2020 and allegedly sold to tax-exempt entities during the same taxable year. In the Court's mind, the non-existence of the supposed movement of the imported petroleum products, due to lack of pertinent ORBs is more probable. Therefore, preponderance of evidence was not met.

Second. The Court likewise observes that even petitioner recognized the importance the ORBs in its refund claim. Shiela Mary A. Ahing testified that the ORBs constitute the records showing the quantity of petitioner's inventory of BFO sourced from its importations. Thus:[5]

> 23. Q: What other proof do you have, if any, which would **show the quantity of SLHBTC's inventory of bunker fuel and diesel sourced from importations during 2019**?
>
> A: The schedule showing SLHBTC's inventory of bunker fuel as of 31 December 2019 **with the corresponding Official Register Book**, Schedule of Receipts and Removals duly received by the BIR, corresponding remaining inventory from importations made on 2019.[6]

Third. The Court, too, is cognizant of petitioner's contention that its buyers' tax-exempt certificates, sales invoices, official receipts, withdrawal certificates, and testimonial evidence sufficiently established its entitlement to a tax credit under Section 229 of the NIRC, as amended. Yet, these pieces of evidence fall short of proving such entitlement.

Petitioner's buyer's tax-exempt certificates merely establish the tax-exempt status of its clients, but they do not prove the complete movement of its imported petroleum products for TY 2020. Neither could sales invoices and official receipts exhibit such complement movement, because these are only proof of sales transactions and payments. Nor could withdrawal certificates *alone, sufficiently* establish the movement of imported products, because said certificates should coincide with ORBs relative to the months concerned.

In fine, in the absence of the ORBs, the Court is unable to verify that the petroleum products sold to tax-exempt entities originated from the specific importations on which petitioner paid the corresponding excise taxes. Accordingly, petitioner failed to substantiate its claim for the issuance of a tax credit certificate.

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5 Exhibit "P-19," Docket – Vol. I, p. 6.

6 Boldfacing supplied.

FOR THESE REASONS, petitioner's Motion for Reconsideration is **DENIED** for lack of merit. The Decision dated January 17, 2025 is **AFFIRMED.**

SO ORDERED.

Marian Ivy F. Reyes-Fajardo
MARIAN IVY F. REYES-FAJARDO
Associate Justice

I CONCUR:

HENRY S. ANGELES
Associate Justice