CTA Form No. 8 (For DCC)

22-000129-0064

**REPUBLIC OF THE PHILIPPINES**
**COURT OF TAX APPEALS**
**QUEZON CITY**

**SPECIAL FIRST DIVISION**

**CTA CASE NO. 10813**

**REGUS SERVICE CENTRE PHILIPPINES B.V.,**
Petitioner,

- versus -

**NOTICE OF RESOLUTION**

**COMMISSIONER OF INTERNAL REVENUE,**
Respondent.

**To:**

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

**ATTY. AYESHA HANIA B. GUILING-MATANOG**
**ATTY. CLARISSA J. VIRTUDES-BABARAN**
Bureau of Internal Revenue
Room 703, Litigation Division, BIR National Office Building
Sen. Miriam P. Defensor-Santiago Avenue
Diliman, Quezon City

**CABRERA & COMPANY**
29th Floor, AIA Tower (formerly Philamlife Tower)
8767 Paseo de Roxas, 1226 Makati City

***GREETINGS:***

You are hereby notified by these presents that on **March 11, 2026,** a Resolution was rendered in the above-entitled case, copy of which is attached hereto.

Quezon City, Philippines, **March 13, 2026.**

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

**REPUBLIC OF THE PHILIPPINES**
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**REGUS SERVICE CENTRE, PHILIPPINES B.V.,**
*Petitioner,*

-versus-

**COMMISSIONER OF INTERNAL REVENUE,**
*Respondent.*

**CTA CASE NO. 10813**

*Members:*

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

Promulgated:

MAR 1 1 2026 1:15PM

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# RESOLUTION

***CUI-DAVID, J.:***

For the resolution of the Court is petitioner's ***Motion for Reconsideration (Re: Decision dated 30 June 2025)*** filed on July 18, 2025, with respondent's Opposition *(re: Motion for Reconsideration of the Decision dated 30 June 2025),* filed on September 19, 2025.

Petitioner seeks the reversal of the Court's *Decision* dated June 30, 2025, which denied its *Petition for Review.* The dispositive portion of the assailed *Decision* reads:

> **WHEREFORE**, in light of the foregoing considerations, the present *Petition for Review* is **DENIED** for lack of merit.
>
> **SO ORDERED.**

In its *Motion for Reconsideration,* petitioner contends that the official receipts (**OR**), when read together with the Services Agreement and other pieces of evidence, substantially comply with the invoicing requirements. Petitioner points to the

Judicial Affidavit of Ms. Krista V. Bambao, the Court-commissioned independent Certified Public Accountant (**ICPA**), which was supplemented by the Judicial Affidavit of Atty. Rowena Angela C. Salanga, petitioner's Senior Tax Manager. Petitioner notes that the ICPA appreciated the VAT ORs, the Services Agreement, and other "equally valid pieces of evidence." Thus, petitioner maintains that the services it rendered to Franchise International S.A.R.L. qualify for zero-rating.

After careful consideration, the Court resolves to deny petitioner's *Motion for Reconsideration.*

The invoicing requirements under the National Internal Revenue Code (**NIRC**) of 1997, as amended, and the pertinent regulations are clear: the ORs and invoices must contain a description of the merchandise or the nature of the services rendered. Section 237(A) of the NIRC of 1997, as amended, provides:

> SEC. 237. *Issuance of Receipts or Sales or Commercial Invoices.* —
>
> (A) Issuance. - All persons subject to an internal revenue tax shall, at the point of each sale and transfer of merchandise or for services rendered valued at One hundred pesos (P100) or more, issue duly registered receipts or sale or commercial invoices, **showing the** date of transaction, quantity, unit cost and description of merchandise or **<u>nature of service</u>**[.] (Emphasis supplied)

A re-evaluation of the records points to the same conclusion reached in the assailed *Decision*: the submitted ORs are non-compliant with the invoicing requirements set forth in the quoted provision because they **failed to indicate the <u>nature of the services</u> rendered** by petitioner. As emphasized in the assailed *Decision*:

> Compliance with all the VAT substantiation and invoicing requirements provided by tax laws and regulations is mandatory. The invoicing and substantiation requirements should be followed because it is the only way to determine the veracity of the taxpayer's claims. (Citations omitted)

Petitioner calls for this Court to treat the submission of the Services Agreement as constituting substantial compliance. The Court is not persuaded.

The invoicing requirements under the NIRC are not prescribed as mere formalities. They were set to properly document the nature of the transaction and to determine the propriety of the claimed zero-rating. The transaction must be readily understandable and classifiable on the face of the OR or invoice itself, without any external references to testimonies or other documents.

Petitioner insists that the ICPA has already determined that its transactions satisfy the requirements for zero-rating. It bears stressing that the findings of a court-commissioned ICPA do not bind this Court. The ICPA Report is but a tool or guide to aid the Court in the resolution of the case.[1] It is only persuasive in nature and not conclusive upon the Court.[2] Accordingly, the Court retains full authority to independently assess the evidence on record in the exercise of its mandate to determine the validity of petitioner's claim.

In fine, the *Motion for Reconsideration* raises no new matter that would warrant the modification, much less the reversal, of the assailed *Decision*.

**WHEREFORE**, premises considered, petitioner's *Motion for Reconsideration (Re: Decision dated 30 June 2025)* is **DENIED** for lack of merit.

**SO ORDERED.**

**LANEE S. CUI-DAVID**
Associate Justice

*I CONCUR:*

**JEAN MARIE A. BACORRO-VILLENA**
Associate Justice

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[1] *Tullett Prebon (Philippines), Inc. v. Commissioner of Internal Revenue*, G.R. No. 257219 (Formerly UDK No. 16941), July 15, 2024 [Per J. Dimaampao,Third Division].

[2] *Foundever Philippines Corporation v. Commissioner of Internal Revenue*, CTA *EB* Case No. 2799 (CTA Case No. 10136), November 25, 2025.