22-000219-0058

REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

**FIRST DIVISION**

**CTA CASE NO. 10857**

**FOLARES PHARMACEUTICALS INC.,**
Petitioner,

- versus -

**COMMISSIONER OF INTERNAL REVENUE,**
Respondent.

# NOTICE OF RESOLUTION

**To:**

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

**ATTY. ALBERT C. ARPON**
**ATTY. JONELLE ELLINE A. MAGALONG**
Bureau of Internal Revenue
Legal Division, Revenue Region No. 8A-Makati City
36th Floor, Export Bank Plaza Building
Sen. Gil Puyat Ave. cor. Don Chino Roces Ave., Makati City

**ATTY. PAULO T. VILLAREAL**
**ATTY. CARLOS V. JAURIGUE**
Unit 1908 Paragon Plaza
EDSA corner Reliance Street
Mandaluyong City

***GREETINGS:***

You are hereby notified by these presents that on **August 1, 2025,** a Resolution was rendered in the above-entitled case, copy of which is attached hereto.

Quezon City, Philippines, **August 5, 2025.**

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

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

## FIRST DIVISION

**FOLARES PHARMACEUTICALS INC.,**
Petitioner,

- versus -

**COMMISSIONER OF INTERNAL REVENUE,**
Respondent.

**CTA CASE NO. 10857**

Members:

**DEL ROSARIO,** *P.J., Chairperson,*
**BACORRO-VILLENA,** *and*
**CUI-DAVID,** *JJ.*

Promulgated:

AUG 01 2025; 2:30PM

x- - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - x

## RESOLUTION

***DEL ROSARIO, P.J.:***

For the Court's resolution is respondent's **Motion for Reconsideration (of the Decision dated 12 March 2025)** [Motion] filed *via* registered mail and *via* email on March 25, 2025, without petitioner's Comment despite notice per Records Verification dated May 27, 2025.

In his Motion, respondent prays that the Court reconsider its Decision promulgated on March 12, 2025 which held that the Formal Letter of Demand and Final Assessment Notices (FLD/FAN) all dated October 23, 2020 were issued in violation of petitioner's right to due process. The dispositive portion of the Decision reads:

> **WHEREFORE**, premises considered, the Petition for Review filed on May 12, 2022 is hereby **GRANTED**. The Formal Letter of Demand and Assessment Notice Nos. IT-eLA71113-17-20-217, VT-eLA71113-17-20-217, WE-eLA71113-17-20-217, IE-eLA71113-17-20-217, and MC-eLA71113-17-20-217 all dated October 23, 2020 are **CANCELLED** and **WITHDRAWN** and the Final Decision on

Disputed Assessment dated April 13, 2022 issued against petitioner for deficiency income tax, VAT, EWT, IAET, and compromise penalty for TY 2017 in the amounts of ₱5,217,824.29, ₱773,893.85, ₱354,786.42, ₱6,804,116.58, and ₱50,000.00, respectively, is **SET ASIDE**.

The Commissioner of Internal Revenue, his representatives, agents or any person acting on his behalf are hereby **ENJOINED** from enforcing the collection of the deficiency income tax, value-added tax, expanded withholding tax, improperly accumulated earnings tax, and compromise penalty assessments against Folares Pharmaceuticals Inc. as contained in the Formal Letter of Demand and Assessment Notice Nos. IT-eLA71113-17-20-217, VT-eLA71113-17-20-217, WE-eLA71113-17-20-217, IE-eLA71113-17-20-217, and MC-eLA71113-17-20-217 all dated October 23, 2020 and the Final Decision on Disputed Assessment dated April 13, 2022. This decree of suspension is **IMMEDIATELY EXECUTORY** consistent with Section 4, Rule 39 of the Rules of Court.

**SO ORDERED.**

Respondent raises the following arguments in support of his Motion:

1. The due process requirements under the Tax Code and its implementing rules and regulations were all complied with in the assessment of deficiency taxes of petitioner;

2. Petitioner is liable for deficiency income tax arising from disallowed expenses due to non-withholding;

3. Considering the findings of income payments not subjected to withholding tax, petitioner is liable to pay the corresponding expanded withholding tax;

4. Petitioner is liable for deficiency value-added tax for its failure to substantiate in full its input taxes for taxable year (TY) 2017;

5. Petitioner's Retained Earnings for TY 2017 exceeded 100% of its paid-up capital. Thus, the assessment of Improperly Accumulated Earnings Tax is proper; and,

6. The imposition of the interest, surcharge, and compromise penalty against petitioner is in accordance with the provisions of the National Internal Revenue Code (NIRC) of 1997, amended.

## THE COURT'S RULING

After careful evaluation of the parties' arguments, the Court resolves to deny respondent's Motion for Reconsideration.

The Court finds that the arguments interposed by respondent are a mere rehash or amplification of his previous arguments in his Answer[1] and Memorandum,[2] which were sufficiently considered and addressed by the Court in the assailed Decision. There is no need to discuss the same arguments again in resolving the present Motion.

The pronouncement in *Social Justice Society (SJS) Officers, et al. vs. Lim,*[3] which cited *Ortigas and Co. Ltd. Partnership vs. Judge Velasco,*[4] is instructive:

> **"The grounds relied on being mere reiterations of the issues already passed upon by the Court, there is no need to 'cut and paste' pertinent portions of the Decision or re-write the *ponencia* in accordance with the outline of the instant motion.**
>
> As succinctly put by then Chief Justice Andres R. Narvasa in *Ortigas and Co. Ltd. Partnership v. Judge Velasco* on the effect and disposition of a motion for reconsideration:
>
> > 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; xxx. **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 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**

[1] CTA Docket, Vol. I, pp. 88-105.
[2] CTA Docket, Vol. II, pp. 909-924.
[3] G.R. Nos. 187836 & 187916, March 10, 2015.
[4] G.R. Nos. 109645 & 112564, March 4, 1996.

> **reconsideration or modification of the judgment or final order; or the arguments in the motion are too unsubstantial to require consideration, etc.**" *(Boldfacing supplied)*

All told, the Court finds no cogent reason to warrant a modification or reversal of the assailed Decision.

**WHEREFORE**, premises considered, respondent's **Motion for Reconsideration (of the Decision dated 12 March 2025)** is denied for lack of merit.

**SO ORDERED.**

**ROMAN G. DEL ROSARIO**
Presiding Justice

*WE CONCUR:*

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

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