REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

SPECIAL SECOND DIVISION

MACQUARIE OFFSHORE SERVICES PTY LTD – PHILIPPINE BRANCH, Petitioner,	**CTA CASE NO. 10191** Members:
- versus -	**RINGPIS-LIBAN,** *P.J., Chairperson*, **MODESTO-SAN PEDRO,** *and* **FERRER-FLORES,** *JJ.*
COMMISSIONER OF INTERNAL REVENUE, Respondent.	Promulgated: SEP 2 8 2026 9:27 AM

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RESOLUTION

FERRER-FLORES, J.:

For resolution of this Court is respondent's **Motion for Partial Reconsideration Re: Decision dated 16 February 2026** filed on March 11, 2026, with petitioner's **Comment/Opposition (Re: Motion for Partial Reconsideration Re: Decision dated 16 February 2026)** filed on April 27, 2026.

On February 16, 2026, the Court promulgated a Decision partially granting petitioner's claim for refund/issuance of tax credit certificate of unutilized input value-added tax (VAT) attributable to its zero-rated sales of services as a Regional Operating Headquarters (ROHQ) for the first quarter of fiscal year (FY) 2018, the dispositive portion of which reads as follows:

> **ACCORDINGLY**, the present **Amended Petition for Review** is **PARTIALLY GRANTED**.
>
> In view thereof, respondent is **ORDERED TO REFUND** or **ISSUE A TAX CREDIT CERTIFICATE** to petitioner the amount of **₱407,099.69**, representing petitioner's excess and unutilized input VAT attributable to its zero-rated sales for the first quarter of FY 2018.
>
> **SO ORDERED.**

In his *Motion*, respondent argues that the Court erred in ruling that petitioner is partially entitled to the refund sought, contending that the entire claim should have been denied in full as held in the decision during the administrative proceedings with the Bureau of Internal Revenue (BIR).

Respondent asserts that the input VAT of ₱15,205,432.47 on purchases from "big ticket" suppliers failed to satisfy the documentary requirements prescribed under Revenue Memorandum Circular (RMC) No. 29-2009,[1] in relation to Revenue Memorandum Order (RMO) No. 16-2007.[2] Moreover, respondent points out that petitioner used the old checklist of mandatory requirements under RMC No. 17-2018,[3] instead of RMC No. 47-2019.[4] As a result, there were vital requirements which were not submitted upon filing of its claim for refund. Respondent also avers that petitioner failed to submit the *original* consularized copies of the certificates of foreign registration/ incorporation/association of the non-resident foreign corporation (NRFC) buyers to prove that the recipients of services are NRFC doing business outside the Philippines.

Citing the case of *Pilipinas Total Gas, Inc. vs. Commissioner of Internal Revenue*[5] (Pilipinas Total Gas), respondent maintains that when a decision is rendered by the Commissioner of Internal Revenue (CIR) on a taxpayer's claim, the Court's jurisdiction is limited to an inquiry of whether the findings of the administrative bodies are consistent with law. Respondent insists that the Court's appellate review should have been confined to the documents submitted by petitioner in the administrative level. Respondent further contends that findings of fact by administrative agencies, when supported by substantial evidence, are binding upon the Court and will not be disturbed unless there is a clear showing of grave abuse of discretion or lack of evidentiary basis.

On the other hand, in its *Comment*, petitioner argues that the issuances on substantiation of big-ticket purchases are not applicable in this case considering that the computation for big-ticket items is done on an annual basis, and the subject period of the present claim involves only the first quarter of FY 2018. Thus, petitioner's computation did not reflect such purchases.

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1 SUBJECT: Clarifies certain issues relative to the processing of claims for tax credit/refund.

2 SUBJECT: Prescribes additional procedures in the audit of input taxes claimed in the VAT returns by Revenue Officers and amends Annex B of RMO No. 53-98 relative to the checklist of documents to be submitted by a taxpayer upon audit of his/its VAT liabilities as well as the mandatory reporting requirements to be prepared by the assigned Revenue Officer/s.

3 SUBJECT: Amends certain provisions of RMC Nos. 89-2017 and 54-2014 on the processing of claims for issuance of Tax Refund/Tax Credit Certificate in relation to amendments made in the NIRC of 1997, as amended by RA No. 10963 (TRAIN Law).

4 SUBJECT: Prescribes the revised guidelines and mandatory requirements for the processing and grant of Value-Added Tax refund claims within the 90-day period.

5 G.R. No. 207112, December 8, 2015.

Petitioner further reiterates its position that RMC No. 47-2019 is invalid for expanding the statutory requirements for a valid claim for refund, and for failing to comply with the requirement of publication. Petitioner continues that, while respondent is vested with rule-making powers, the scope of such powers cannot be extended to amending or expanding statutory requirements or to embrace matters not covered by the statute. Petitioner submits that a mere administrative issuance, like a BIR regulation, can only interpret the law but cannot amend it.

Nonetheless, petitioner states that it has already submitted the Delinquency Verification Certificates and its Audited Financial Statement, and may therefore be deemed to have substantially complied with the requirements of RMC No. 47-2019. Petitioner adds that it has also submitted 32 certifications showing the foreign registration/incorporation of its clients with corresponding attachments which were already considered in the Court's Decision.

After due consideration, the Court finds respondent's *Motion for Partial Reconsideration* bereft of merit.

To reiterate, as thoroughly discussed in the assailed Decision, the evidence have clearly shown that petitioner was able to sufficiently prove its entitlement, under substantive law, to the claimed refund, albeit in a reduced amount. Petitioner satisfied all the documentary and evidentiary requirements for it to be entitled to the refund amounting to ₱407,099.69 out of its original claim of ₱23,063,350.50. To discuss them anew would only be mere superfluity.

As to respondent's reliance on *Pilipinas Total Gas, Inc.*, the Court emphasizes that Section 8 of Republic Act (R.A.) No. 1125,[6] as amended, declares this Court as a *"court of record"*. Being such, it is required to conduct a formal litigation (trial *de novo*) where the parties must present their evidence accordingly if they desire the Court to take such evidence into consideration.[7] The appealing party must prove every aspect of its claim and establish that it is entitled to the refund being sought under substantive law.

Perforce, in *Commissioner of Internal Revenue vs. Philippine Bank of Communications*,[8] the Supreme Court categorically ruled that cases filed in the Court are litigated *de novo* and that the Court is not limited by the evidence presented in the administrative claim, to wit:

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6 "AN ACT CREATING THE COURT OF TAX APPEALS", approved on June 16, 1954.
7 *Commissioner of Internal Revenue vs. Manila Mining Corporation*, G.R. No. 153204, August 31, 2005.
8 G.R. No. 211348, February 23, 2022.

In the case of *Commissioner of Internal Revenue v. Manila Mining Corporation,* this Court held that cases before the CTA are litigated *de novo* where party litigants should prove every minute aspect of their cases, to wit:

> Under Section 8 of Republic Act No. 1125 (RA 1125), the CTA is described as a court of record. As cases filed before it are litigated *de novo*, party litigants should prove every minute aspect of their cases. No evidentiary value can be given the purchase invoices or receipts submitted to the BIR as the rules on documentary evidence require that these documents must be formally offered before the CTA. (Underscoring supplied)

As applied in the instant case, since the claim for tax refund/credit was litigated anew before the CTA, the latter's decision should be solely based on the evidence formally presented before it, notwithstanding any pieces of evidence that may have been submitted (or not submitted) to the CIR. Thus, what is vital in the determination of a judicial claim for a tax credit/refund of CWT is the evidence presented before the CTA, regardless of the body of evidence found in the administrative claim.

In *Commissioner of Internal Revenue v. Univation Motor Philippines, Inc. (Formerly Nissan Motor Philippines, Inc.)*, this Court has explained that the CTA is not limited by the evidence presented in the administrative claim, to wit:

> The law creating the CTA specifically provides that proceedings before it shall not be governed strictly by the technical rules of evidence. The paramount consideration remains the ascertainment of truth. Thus, the CTA is not limited by the evidence presented in the administrative claim in the Bureau of Internal Revenue. The claimant may present new and additional evidence to the CTA to support its case for tax refund.
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> Cases filed in the CTA are litigated *de novo* as such, respondent "should prove every minute aspect of its case by presenting, formally offering and submitting x x x to the Court of Tax Appeals all evidence x x x required for the successful prosecution of its administrative claim." Consequently, the CTA may give credence to all evidence presented by respondent, including those that may not have been submitted to the CIR as the case is being essentially decided in the first instance. (Citations omitted)

As the Supreme Court has already spoken on the matter, this Court has no other option but to uphold and apply the same. It is worthy to note that the Supreme Court, by tradition and in our system of judicial administration, has the last word on what the law is. It is the final arbiter of any justiciable controversy. There is only one Supreme Court from whose decisions all other courts should take their bearings.[9]

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[9] *Commissioner of Internal Revenue vs. Michel J. Lhuillier Pawnshop, Inc.*, G.R. No. 150947, July 15, 2003.

On a final note, the power of the Court to exercise its appellate jurisdiction does not preclude it from considering evidence that was not presented in the administrative claim in the BIR.[10] The question of whether the evidence submitted by a party is sufficient to warrant the granting of its prayer lies within the sound discretion and judgment of the Court. As cases filed before this Court are litigated *de novo*, the Court, is not governed strictly by technical rules of evidence, thus, is not precluded from considering evidence not presented at the administrative level for the paramount consideration remains the ascertainment of truth.[11]

In view of the foregoing disquisitions, there being no new matter or substantial issue raised by respondent in his *Motion for Partial Reconsideration*, the Court finds no compelling reason to reverse or modify the conclusions reached in the Decision promulgated on February 16, 2026.

ACCORDINGLY, respondent's Motion for Partial Reconsideration Re: Decision dated 16 February 2026 is **DENIED** for lack of merit.

SO ORDERED.

CORAZON G. FERRER-FLORES
Associate Justice

WE CONCUR:

MA. BELEN M. RINGPIS-LIBAN
Presiding Justice

MARIA ROWENA MODESTO-SAN PEDRO
Associate Justice

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[10] *Philippine Airlines, Inc. vs. Commissioner of Internal Revenue* and *Commissioner of Internal Revenue vs. Philippine Airlines, Inc.*, G.R. Nos. 206079-80 and 206309, January 17, 2018.

[11] *Commissioner of Internal Revenue vs. Univation Motor Philippines, Inc. (formerly Nissan Motor Philippines, Inc.)*, G.R. No. 231581, April 10, 2019.