REPUBLIC OF THE PHILIPPINES
Court of Tax Appeals
QUEZON CITY

Special Third Division

PHILIPPINE GAMING MANAGEMENT CORPORATION, *Petitioner,*	**CTA CASE NO. 9688** Members:
-versus-	**RINGPIS-LIBAN,** *PJ, Chairperson,* **MODESTO-SAN PEDRO,** *and* **FERRER-FLORES,** *JJ.*
COMMISSIONER OF INTERNAL REVENUE, *Respondent.*	Promulgated: MAR 23 2026 11:32 a.m.

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RESOLUTION

MODESTO-SAN PEDRO, J.:

For resolution before this Court are (i) respondent Commissioner of Internal Revenue's ("respondent" or "CIR") Motion for Reconsideration re: Decision[1] dated 21 February 2024 ("respondent's Motion");[2] and (ii) petitioner Philippine Gaming Management Corporation's ("petitioner" or "PGMC") Motion for Reconsideration (Re: Resolution[3] dated 23 May 2024) ("petitioner's Motion").

As regards respondent's Motion, the CIR argues that the issue on prescription was never raised by petitioner in the administrative level. Thus, according to respondent, petitioner can no longer raise said issue on the ground of laches.

In the Assailed Decision, We ruled that the second waiver executed by petitioner was invalid and that petitioner is not estopped from assailing the validity of the waiver. Respondent, however, insists that petitioner should not be allowed to raise for the first time on appeal questions which were not raised at the administrative forum as it will violate the rules of exhaustion of administrative remedies and the doctrine that new issues cannot be raised for

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[1] Docket Vol. 8, pp. 3987-4007; hereinafter referred as "Assailed Decision."
[2] *Id.* at 4008-4018.
[3] *Id.* at 4065-4066; hereinafter referred as "Assailed Resolution."

the first time on appeal. As such, respondent argues that the Court erred in ruling on the alleged prescription of the period of respondent to assess.

Further, according to respondent, ample remedies provided by law and pertinent regulations are available to petitioner, who is given every opportunity to raise whatever defenses it may deem necessary to contest the deficiency tax assessment issued against it. Despite this, the issue on validity of the waivers was never raised by petitioner. As such, for respondent, the issue was undisputed.

To support its argument, respondent invoked the pronouncement of the Supreme Court in the case of *Commissioner of Internal vs. Transitions Optical Philippines, Inc. ("Transitions case)*,[4] wherein estoppel was applied in challenging the validity of the waivers executed therein.

We, however, find the application of the *Transitions case* herein misplaced.

It must be highlighted that the facts of the *Transitions case* clearly narrates that the taxpayer therein deliberately executed a defective waiver. In contrast, here, the defects of the second waiver were not caused by PGMC itself. In the Assailed Decision, We summarized the relevant and notable details of the waivers as follows:

Waiver	Date Executed by Petitioner	Agreed Period to Assess Petitioner	BIR's signatory	Date Accepted by the BIR	BIR-Accepted copy furnished to petitioner
1st Waiver[5]	April 12, 2010	December 31, 2010	Zenaida G. Garcia [ACI-LTS (Excise and LTDO's)]	April 15, 2010	*No date indicated* *Received by Punong Bayan & Araullo*
2nd Waiver[6]	October 14, 2010	March 31, 2011	*Various signatures appended below the name and designation of*	*No date indicated*	*No date indicated* *Received by Punong*

4 G.R. No. 227544, November 22, 2017.

5 Exhibit "R-2", Waiver of the Defense of Limitations Under the Statute of Limitations of the National Internal Revenue Code, BIR Records, p. 481.

6 Exhibit "R-3", Waiver of the Defense of Limitations Under the Statute of Limitations of the National Internal Revenue Code, *id.* at 703.

			ACIR Garcia, but no signature above her name		*Bayan & Araullo*
3rd Waiver[7]	March 24, 2011	December 31, 2011	Zenaida G. Garcia [ACI-LTS (Excise and LTDO's)]	March 28, 2011	March 30, 2011 *Received by Punong Bayan & Araullo*

Based on the foregoing, the following infirmities were deemed fatal to the alleged validity of the waivers: (1) lack of date of acceptance by the CIR or his duly authorized representative; and (2) the absence of a clear acceptance/signature by the CIR or his duly authorized representative. Both are clearly caused by the CIR, not the petitioner.

Thus, We reiterate our discussions in the Assailed Decision stating that the doctrine of estoppel cannot be applied as an exception to the statute of limitation on the assessment of taxes considering that there is a detailed procedure for the proper execution of the waiver, which the BIR must strictly follow. A waiver of the defense of prescription is carefully and strictly construed as to its compliance with the preset guidelines and procedural requirements prescribed by the CIR to serve its purpose of affording protection to the taxpayer.[8]

As such, since there is a clear non-compliance with the guidelines prescribed under *Revenue Memorandum Order No. 20-90* and *Revenue Delegation of Authority Order No. 05-01*, the Court inevitably finds the second waiver invalid. It thus failed to extend the period within which the BIR may assess petitioner.

Following the recent Supreme Court case of *Commissioner of Internal Revenue v. Telstar Manufacturing Corp.*,[9] the CIR and the revenue officials must again be reminded of the drastic consequences of noncompliance with the procedural guidelines on the execution of a valid waiver of the statute of limitations;

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[7] Exhibit "R-4", Waiver of the Defense of Limitations Under the Statute of Limitations of the National Internal Revenue Code, *id.* at 760.

[8] Commissioner of Internal Revenue vs. First Philippine Industrial Corp., G.R. No. 266409 (Notice), August 23, 2023.

[9] G.R. Nos. 249239, 250286 & 249241-42, February 10, 2025.

> At this juncture, it must be emphasized that there is nothing vague or difficult to understand about the procedural guidelines. CIR and the revenue officials knew fully well the drastic consequences of noncompliance with Revenue Memorandum Order No. 20-90 and Revenue Delegation of Authority Order No. 05-01 and yet, they utterly failed to faithfully follow these BIR issuances. ***Clearly, the BIR is not entitled to the mantle of protection accorded by the doctrine of estoppel. Having caused the defects in the waivers, the BIR must bear the consequence of its own negligence.***
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> With the foregoing disquisitions, the Court rules and so holds that ***the waivers were void*** and as such, *did not extend the prescriptive period to assess Telstar for deficiency taxes.* Accordingly, the Formal Letter of Demand and the Final Assessment Notice issued by the CIR on October 13, 2013 are void and of no legal effect.
> (Emphasis and italics supplied)

All told, We find no cogent reason to reverse Our ruling in the Assailed Decision.

Meanwhile, acting on petitioner's Motion, it must be recalled that in the Assailed Resolution, the Court ordered petitioner's Common[sic]/Opposition to Motion for Reconsideration re: Decision dated 21 February 2024 be stricken off the records for having been belatedly filed. Prior to filing, petitioner was granted an extended time, or until April 11, 2024, within which to file a comment.[10] However, petitioner filed its Common[sic]/Opposition at 5:32pm of the same date. Thus, it was considered filed the following day and ordered stricken off the records.

Petitioner now seeks to have the Assailed Resolution reconsidered, arguing that *paragraph 6 of CTA En Banc Resolution No. 4-2021* does not expressly state that a comment filed beyond the 4:30 cut-off time must be denied. It further submits the view that the object of the said En Banc resolution appears to pertain to initiatory pleading such as petition, complaint and information.

We disagree. *Paragraph 2 of CTA En Banc Resolution No. 4-2021* clearly and in no uncertain terms states that the "cut-off time for pleadings, motions and other court submissions shall be at 4:30pm." Submissions beyond such cut-off time shall be considered as filed on the next working day.

A comment or opposition to a motion for reconsideration is considered "other court submission," thus, it clearly falls under the coverage of the abovementioned paragraph. Hence, having been filed beyond the cut-off time, petitioner's Common[sic]/Opposition is thus considered filed the next day. The rules need not expressly state that a motion filed beyond cut-off time must

[10] See Resolution dated April 15, 2024, Docket Vol. 8, p. 4057.

be denied. The denial is an inevitable consequence of being considered filed beyond the date authorized by the Court in the granted extended period.

ACCORDINGLY, premises considered, respondent's Motion for Reconsideration re: Decision[11] dated 21 February 2024 ("respondent's Motion") is hereby **DENIED**.

Moreover, petitioner's Motion for Reconsideration (Re: Resolution[12] dated 23 May 2024) is likewise **DENIED**.

SO ORDERED.

MARIA ROWENA MODESTO-SAN PEDRO
Associate Justice

WE CONCUR:

MA. BELEN M. RINGPIS-LIBAN
Presiding Justice

CORAZON G. FERRER-FLORES
Associate Justice

[11] Docket Vol. 8, pp. 3987-4007; hereinafter referred as "Assailed Decision."
[12] *Id.* at 4065-4066; hereinafter referred as "Assailed Resolution."