REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

THIRD DIVISION

WNS GLOBAL SERVICES PHILIPPINES, INC.,
Petitioner,

-versus-

COMMISSIONER OF INTERNAL REVENUE,
Respondent.

CTA Case No. 8574

Members:
BAUTISTA, Chairperson
FABON-VICTORINO, *and*
RINGPIS-LIBAN, *JJ.*

Promulgated:

OCT 10 2017
3:34 p.m.

X--X

DECISION

RINGPIS-LIBAN, *J.*:

This Petition for Review filed by WNS Global Services Philippines, Inc. on November 16, 2012, prays for the refund or issuance of a tax credit certificate in the amount of ₱10,163,064.25, allegedly representing its excess unutilized input value-added tax for the fiscal year ending March 31, 2011.

THE FACTS

Petitioner WNS Global Services Philippines, Inc. is a corporation organized and existing under Philippine laws since the year 2009. It is "engaged in the business of providing services including but not limited to (i) outsourced customer care, credit collection, billing and billing information services, outsourced contact management services for the customers, employees, and business-channel partners of client, organizations through the medium of telephone, email, and web-medium of telephone, email and web-based interactions, and (ii) other I.T.-enabled services (such as outsourced back-office services) and for this purpose, to do any and all things necessary for or conducive to the attainment of such purpose."[1]

[1] Docket, vol. 1, Exhibit "P-18", pp. 286-295.

On the other hand, respondent is the duly appointed Commissioner of the Bureau of Internal Revenue (BIR) who has the power to decide disputed assessments, refunds of internal revenue taxes, fees or other charges, penalties imposed in relation thereto or other matters arising under the National Internal Revenue Code (NIRC) or other laws or portions thereof administered by the BIR. He holds office at the BIR National Office Building, Agham Road, Diliman, Quezon City.

WNS Philippines, Inc. (WPI) was a corporation duly organized and existing under Philippine laws under Company Registration No. CS200810061.[2] It was registered with the Board of Investments (BOI) on June 9, 2009 as an ICT Export Service Enterprise under Certificate of Registration No. 2009-078.[3] WPI was duly registered with the Bureau of Internal Revenue as a VAT enterprise during the years 2010 and 2011.[4]

On June 22, 2012, WPI filed its administrative claim[5] for refund of unutilized input VAT for fiscal year ended March 31, 2011 with the Revenue District Office (RDO) No. 47.[6]

WPI later merged with petitioner, which was approved by the Securities and Exchange Commission (SEC) on August 31, 2012, with petitioner as the surviving entity.[7]

As the surviving corporation after its merger with WPI, petitioner, by operation of law, absorbed all of the assets and liabilities of WPI, including WPI's input VAT. Likewise, it acquired the legal standing to institute the present claim for refund of WPI's unutilized input VAT for fiscal year ending March 31, 2011.[8]

Due to the failure of respondent to resolve the administrative claim for refund, petitioner filed the instant Petition for Review[9] on November 16, 2012 before this Court.

Within the extended time granted by the Court,[10] respondent filed his Answer[11] on January 21, 2013, interposing the following special and affirmative defenses:

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[2] *Id.*, vol. 2, Joint Stipulation of Facts and Issues (JSFI), Par. 1, p. 581.
[3] *Id.* at par. 2.
[4] *Id.* at par. 3.
[5] Docket vol. 1, Exhibit "P-21", pp. 330-332.
[6] *Id.* at Note 2, par. 4.
[7] *Id.* at par. 5.
[8] *Id.* at par. 6, p. 582.
[9] Docket vol. 1, pp. 6-16.
[10] *Id.* at p. 154.
[11] *Id.* at pp. 155-157.

"**SPECIAL AND AFFIRMATIVE DEFENSES**

5. Claims for refund are strictly construed against the taxpayer as the same partakes the nature of a tax exemption;

6. The taxpayer has the burden to show that the taxes were erroneously or illegally paid. Failure on the part of the Petitioner to prove the same is fatal to its cause of action. In the instant case, the Petitioner failed to present proof that the input VAT it is claiming as refund remained unutilized and was not carried over to subsequent taxable quarters;

7. It is incumbent for the Petitioner to prove the existence of a valid contract and that said contract is indeed considered zero-rated VAT transaction;

8. Hence, Petitioner failed to prove that the compensation or consideration which it received for the services rendered were actually paid for in acceptable foreign currency and accounted for in accordance with the rules and regulations of the Bangko Sentral ng Pilipinas;

9. The Petitioner failed to prove its personality and legal basis for claiming the amount being refunded."

The Pre-Trial Conference was set on March 21, 2013.[12]

Upon petitioner's motion,[13] the pre-trial conference was deferred via Resolution[14] dated March 20, 2013 and petitioner was given ten (10) days from receipt thereof to file a Motion for Commissioning of Independent Certified Public Accountant (CPA).

On April 10, 2013, petitioner filed a Motion for Commissioning of Independent Certified Public Accountant *Ad Cautelem*[15]. On May 9, 2013, Mr. Emmanuel Y. Mendoza was commissioned as the Independent CPA for the case.[16]

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[12] *Id.* at p. 58, Notice of Pre-Trial Conference.
[13] *Id.* at pp. 159-162.
[14] *Id.* at p. 167.
[15] *Id.* at pp. 171-174.
[16] *Id.* at pp. 201 and 202, Minutes of the Hearing and Oath of Commission dated May 9, 2013.

Petitioner's Pre-Trial Brief[17] was filed through registered mail on June 17, 2013 and received by this Court on June 27, 2015. On the other hand, respondent's Pre-Trial Brief[18] was filed on October 21, 2013.

The parties filed their Joint Stipulation of Facts and Issues[19] through registered mail on November 8, 2013 and received by this Court on November 15, 2013. This was adopted by the Court in the Pre-Trial Order[20] dated November 20, 2013, which also terminated the Pre-Trial.

On December 2, 2013, petitioner filed a Motion to Amend Pre-Trial Order[21], which was received by the Court on December 6, 2013. This was granted by the Court in the Resolution[22] dated January 30, 2014.

During trial, petitioner presented the following witnesses: (1) Ms. Jennifer Cuaresma[23], petitioner's Group Manager for Finance; (2) Mr. Emmanuel Y. Mendoza[24], the Independent CPA; (3) Mr. Michael Garber[25], previous Director of WNS North America, Inc.; and (4) Ms. Anil Patil[26], Director of WNS Global Services (UK) Limited.

Petitioner filed its Formal Offer of Evidence[27] on December 5, 2014. In the Resolution[28] dated February 9, 2015, the Court admitted petitioner's Exhibits "P-1 and P-1-a", "P-2 to P-2-KKKK", "P-3-A to P-3-AA", "P-3-BB to P-3-EE", "P-4-A to P-4-R", "P-4-S to P-4-Y", "P-6-A to P-6-B", "P-7-A to P-7-D", "P-8-A to P-8-D", "P-9", "P-10-A", "P-10-B", "P-10-C", "P-10-D", "P-11-A", "P-11-B", "P-11-C", "P-12-A", "P-13", "P-14 and P-14-a", "P-16-a to P-16-d", "P17-a", "P17-b", "P-18", "P-19-a", "P-19-b to P-19-d" "P-20-a to P-20-d", "P-21", "P-22 and P-22-a", "P-23 and P-24", "P-25 and P-25-a", "P-26 and P-26-a", "P-27", "P-29", "P-30", and "P-33 and P-33-a". However, the Court denied the admission of Exhibit "P-3-FF" for petitioner's failure to identify the same before the Court; Exhibit "P-35", for petitioner's failure to identify the same before the Court and for petitioner's failure to present its original for comparison; Exhibits "P-5-A to P-5-B", "P-11-D", and "P-12-B", for failure to correspond with the document described in the Formal Offer of Evidence; and

[17] *Id.* at pp. 379-386.
[18] Docket vol. 2, pp. 567-570.
[19] Docket vol. 1, pp. 581-584.
[20] *Id.* at pp. 591-597.
[21] *Id.* at Note 18, pp. 598-600.
[22] *Id.* at pp. 614-615.
[23] *Id.* at Note 18, pp. 245-254, Minutes of the Hearing dated January 20, 2014, *id.* at Note 19, p. 612; Exhibit "P-14", Judicial Affidavit of Jennifer Cuaresma.
[24] *Id.* at Note 18, Minutes of the Hearing dated February 17, 2014, p. 616; *id.* at Note 19, pp. 333-343, 408-413, and 1326-1331, Exhibits "P-22", "P-25", and "P-37", Judicial Affidavits.
[25] *Id.* at Note 19, pp. 483-486.
[26] *Id.* at Note 19, pp. 415-418, Exhibit "P-26", Judicial Affidavit.
[27] *Id.* at Note 18, pp. 759-778.
[28] Docket vol. 3, pp. 1281-1283.

Exhibits "P-28", "P-31", "P-32", "P-34", and "P-36", for petitioner's failure to present the originals for comparison.

Petitioner filed a Motion for Partial Reconsideration (Re: Resolution dated 09 February 2015)[29] on March 23, 2015. Thereafter, on May 27, 2015, petitioner filed a Motion to Admit Incorporated Supplemental Motion for Partial Reconsideration and To Set Commissioner's Hearing (Re: Resolution dated 09 February 2015).

These were both partially granted by the Court in the Resolution[30] dated August 27, 2015, wherein the Court admitted Exhibits "P-28" and "P-34", but still denied the admission of Exhibit "P-3-FF" for failure to present the original during the July 27, 2014 hearing.

Petitioner then filed a Manifestation with Consolidated Motion to Clarify and For Production of Documents[31] on October 12, 2015. This was later on denied by the Court in the Resolution[32] dated December 22, 2015.

During the January 18, 2016 hearing, petitioner's Exhibits "P-3-FF", "P-37", and "P-37-a" were admitted into evidence.[33]

On March 3, 2016, petitioner filed a Motion to Admit Attached Judicial Affidavit of Mr. Yogendra Goyal[34]. This was granted by the Court in the Resolution[35] dated May 19, 2016, and the Judicial Affidavit of Mr. Yogendra Goyal was admitted to form part of the records. The judicial affidavit was marked, identified, and admitted into evidence as Exhibit "P-35" during the August 15, 2016 hearing.

During the same August 15, 2016 hearing, counsel for respondent manifested that he would not present any witness, but offered as respondent's evidence, Exhibits "R-1" and "R-1-a"; which were later admitted into evidence.[36]

Thereafter, the Memorandum for Petitioner[37] was filed on September 14, 2016; while respondent failed to file his Memorandum as per Records Verification dated September 15, 2016. Thus, in the Resolution[38] dated October 12, 2016, the instant case was declared submitted for decision.

[29] *Id.*, pp. 1287-1295.
[30] *Id.*, pp. 1351-1354.
[31] *Id.*, pp. 1373-1378.
[32] *Id.*, pp. 1402-1405.
[33] *Id.*, pp. 1426-1427.
[34] *Id.*, pp. 1437-1441.
[35] *Id.*, pp. 1508-1510.
[36] *Id.*, pp. 1512-1513, Order dated August 15, 2016.
[37] *Id.*, pp. 1514-1530.
[38] *Id.*, p. 1533.

THE ISSUES

The parties stipulated the following issues to be resolved by this Court:[39]

1. Whether petitioner is entitled to its claim for refund/issuance of Tax Credit Certificate of the excess unutilized input VAT attributable to WPI's export/zero-rated sales in the amount of ₱10,163,064.25 for fiscal year ending 31 March 2011.

2. Whether the petition for review should be dismissed for lack of cause of action on the part of the petitioner for non-exhaustion of administrative remedies by filing the instant petition before the expiration of the 120-day period as provided for under Section 112(C) of the NIRC.

3. Whether the Honorable Court has jurisdiction over the instant petition inasmuch as there was no decision or inaction which is tantamount to a denial by the CIR that the Court of Appeals could review simply because respondent was not given an opportunity to reach that decision or to act accordingly on the claim for refund within the 120-day period.

4. Whether WPI sale of services qualify as zero-rated sales under Section 108(B)(2) of the 1997 Tax Code, as amended.

5. Whether petitioner has unutilized VAT input taxes in the amount of ₱10,163,064.25 for the fiscal year ending 31 March 2011.

6. Whether the alleged unutilized VAT input taxes for the fiscal year ending 31 March 2011 were applied against its output taxes or carried-over to the succeeding taxable quarters/years.

7. Whether petitioner's claim for tax refund/tax credit allegedly representing unutilized VAT input taxes for the fiscal year ending 31 March 2011 in the amount ₱10,163,064.25 is substantiated by documentary evidence.

The foregoing issues may be summarized as follows:

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[39] *Id.* at Note 18, pp. 582-583.

Whether petitioner is entitled to a tax refund or issuance of tax credit certificate in the amount of ₱10,163,064.25, allegedly representing excess unutilized input taxes for the fiscal year ending March 31, 2011.

THE RULING OF THE COURT

The pertinent provisions of Section 112(A) and (C) of the National Internal Revenue Code of 1997, as amended, state as follows:

> "SEC. 112. *Refunds or Tax Credits of Input Tax.* –
>
> (A) *Zero-Rated or Effectively Zero-Rated Sales.* – Any VAT-registered person, whose sales are zero-rated or effectively zero-rated may, within two (2) years after the close of the taxable quarter when the sales were made, apply for the issuance of a tax credit certificate or refund of creditable input tax due or paid attributable to such sales, except transitional input tax, to the extent that such input tax has not been applied against output tax: *Provided, however,* That in the case of zero-rated sales under Section 106(A)(2)(a)(1), (2) and (b) and Section 108(B)(1) and (2), the acceptable foreign currency exchange proceeds thereof had been duly accounted for in accordance with the rules and regulations of the Bangko Sentral ng Pilipinas (BSP): *Provided, further,* That where the taxpayer is engaged in zero-rated or effectively zero-rated sale and also in taxable or exempt sale of goods of properties or services, and the amount of creditable input tax due or paid cannot be directly and entirely attributed to any one of the transactions, it shall be allocated proportionately on the basis of the volume of sales: *Provided, finally,* That for a person making sales that are zero-rated under Section 108(B)(6), the input taxes shall be allocated ratably between his zero-rated and non-zero-rated sales.
>
> xxx xxx xxx
>
> (C) *Period within which Refund or Tax Credit of Input Taxes shall be Made.* – In proper cases, the Commissioner shall grant a refund or issue the tax credit certificate for creditable input taxes within one hundred twenty (120) days from the date of submission of complete documents in support of the application filed in accordance with Subsection (A) hereof.
>
> In case of full or partial denial of the claim for tax refund or tax credit, or the failure on the part of the Commissioner to act on the application within the period prescribed above, the taxpayer

> affected may, within thirty (30) days from the receipt of the decision denying the claim or after the expiration of the one hundred twenty day-period, appeal the decision or the unacted claim with the Court of Tax Appeals."

The Court has jurisdiction over the present case as the administrative and the judicial claims were timely filed

The Court of Tax Appeals is a court of special or limited jurisdiction and can only take cognizance of such matters as are clearly within its jurisdiction.[40] The jurisdiction of the CTA is conferred by Republic Act (RA) No. 1125, as amended by RA No. 9282. The pertinent provision is quoted hereunder for ready reference:

> "SEC. 7. *Jurisdiction.* – The CTA shall exercise:
>
> (a) Exclusive appellate jurisdiction to review by appeal, as herein provided:
>
> (1) Decisions of the Commissioner of Internal Revenue in cases involving disputed assessments, refunds of internal revenue taxes, fees or other charges, penalties in relation thereto, or other matters arising under the National Internal Revenue or other laws administered by the Bureau of Internal Revenue;
>
> (2) **Inaction by the Commissioner of Internal Revenue in cases involving** disputed assessments, **refunds of internal revenue taxes**, fees or other charges, penalties in relations thereto, or other matters arising under the National Internal Revenue Code or other laws administered by the Bureau of Internal Revenue, **where the National Internal Revenue Code provides a specific period of action, in which case the inaction shall be deemed a denial;**" (*Emphasis supplied*)

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[40] *Allied Banking Corporation vs. Commissioner of Internal Revenue*, G.R. No. 175097, February 5, 2010; *Cathay Pacific Airways, Ltd. vs. Commissioner of Internal Revenue*, CTA EB No. 717 (CTA Case No. 7876), April 17, 2012; *Rizal Commercial Banking Corporation vs. Commissioner of Internal Revenue*, G.R. No. 168498, Resolution dated April 24, 2007.

In relation thereto, Section 3(a)(2) of Rule 4 of the Revised Rules of the Court of Tax Appeals provides:

> "SEC. 3. *Cases within the jurisdiction of the Court in Division.* – The Court in Division shall exercise:
>
> (a) Exclusive original over or appellate jurisdiction to review by appeal the following:
>
> xxx xxx xxx
>
> (2) **Inaction by the Commissioner of Internal Revenue in cases involving** disputed assessments, **refunds of internal revenue taxes**, fees or other charges, penalties in relation thereto, or other matters arising under the National Internal Revenue Code or other laws administered by the Bureau of Internal Revenue, **where the National Internal Revenue Code or other applicable law provides a specific period for action**: *Provided*, that in case of disputed assessments, the inaction of the Commissioner of Internal Revenue within the one hundred eighty day-period under Section 228 of the National Internal Revenue Code shall be deemed a denial for purposes of allowing the taxpayer to appeal his case to the Court and does not necessarily constitute a formal decision of the Commissioner of Internal Revenue on the tax case; *Provided, further*, that should the taxpayer opt to await the final decision of the Commissioner of Internal Revenue on the disputed assessments beyond the one hundred eighty day-period abovementioned, the taxpayer may appeal such final decision to the Court under Section 3(a), Rule 8 of these Rules; and ***Provided, still further*, that in the case of claims for refund of taxes erroneously or illegally collected, the taxpayer must file a petition for review with the Court prior to the expiration of the two-year period under Section 229 of the National Internal Revenue Code**;" (*Emphasis supplied*)

Moreover, in the case of *Commissioner of Internal Revenue vs. San Roque Power Corporation*[41], the Supreme Court held that:

> "xxx **The charter of the CTA also expressly provides that if the Commissioner fails to decide within 'a specific period' required by law, such 'inaction shall be deemed a denial' of the application for tax refund or credit.** It is the Commissioner's decision, or inaction 'deemed a denial,' that the

[41] G.R. Nos. 187485, 196113, and 197156, February 12, 2013.

taxpayer can take to the CTA for review. Without a decision or an 'inaction . . . deemed a denial' of the Commissioner, the CTA has no jurisdiction over a petition for review." (*Emphasis supplied*)

Based on the foregoing, the Court has jurisdiction over cases involving claims for refund of taxes wherein the Commissioner of Internal Revenue fails to decide within the specific period provided in the NIRC of 1997, as amended. The Commissioner's inaction shall be deemed a denial.

This case involves a claim for refund of petitioner's unutilized excess input taxes for the fiscal year ending March 31, 2011.

Pursuant to Section 112(A) of the NIRC of 1997, as amended, the application for refund or tax credit of unutilized excess input VAT must be filed within two years after the close of the taxable quarter when the zero-rated or effectively zero-rated sales were made.[42]

The present claim covers the four quarters of FY ending March 31, 2011, which closed on June 30, 2010, September 30, 2010, December 31, 2010, and March 31, 2011. Counting two years from the said dates, petitioner had until June 30, 2012, September 30, 2012, December 31, 2012, and March 31, 2013 within which to file its administrative claim for refund or issuance of tax credit certificate. Thus, petitioner's administrative claim, together with the supporting documents, was seasonably filed with the Revenue District Office No. 47 on June 22, 2012[43], as shown below:

Fiscal Year ending March 31, 2011	Close of the Taxable Quarter	End of 2-year Prescriptive Period	Date of Filing of Administrative Claim
1st Quarter	June 30, 2010	June 30, 2012	June 22, 2012
2nd Quarter	September 30, 2010	September 30, 2012	
3rd Quarter	December 31, 2010	December 31, 2012	
4th Quarter	March 31, 2011	March 31, 2013	

On the other hand, Section 112(C) of the NIRC of 1997, as amended, states the time requirements for filing a judicial claim for the refund or tax credit of input VAT. The legal provision speaks of two periods: the period of 120 days, which serves as a waiting period to give time for the BIR Commissioner to act

[42] *Commissioner of Internal Revenue vs. Aichi Forging Company Asia, Inc.*, G.R. No. 184823, October 6, 2010.
[43] *Id.* at Note 19, pp. 330-332, Exhibit "P-21.

on the administrative claim for a refund or credit; and the period of 30 days, which refers to the period for filing a judicial claim with the CTA.[44]

In the landmark case of *Commissioner of Internal Revenue vs. San Roque Power Corporation*[45], the Supreme Court held that the taxpayer can file an appeal in one of two ways: (1) file the judicial claim within 30 days after the Commissioner denies the claim within the 120-day waiting period, or (2) file the judicial claim within 30 days from the expiration of the 120-day period if the Commissioner does not act within that period.[46]

Note that the 120-day period begins to run from the date of submission of complete documents supporting the administrative claim. If there is no evidence showing that the taxpayer was required to submit – or actually submitted – additional documents after the filing of the administrative claim, it is presumed that the complete documents accompanied the claim when it was filed.[47]

Respondent presented a letter dated September 13, 2012[48] as proof that petitioner submitted additional documents after the filing of its administrative claim for refund. However, a perusal of the letter shows that there is nothing in the letter that indicates that the transmittal of additional documents was for its administrative claim for refund. In fact, the subject matter of the letter shows that it relates to Letter of Authority No. 201100014858. The Court cannot give credence to respondent's claim that petitioner submitted additional documents after the filing of its administrative claim for refund on June 22, 2012.

Thus, petitioner is deemed to have submitted its complete documents when it filed its administrative claim on June 22, 2012. Counting 120 days from June 22, 2012, respondent had until October 22, 2012[49] within which to decide on the subject administrative claim. Considering that respondent failed to act on the refund claim, his inaction is deemed a denial of petitioner's administrative claim.

Petitioner had 30 days from October 22, 2012 or until November 21, 2012, within which to appeal its claim for tax credit certificate/refund before this Court. The instant petition was timely filed on November 16, 2012. Clearly, both the administrative claim and the judicial claim for refund were timely filed by petitioner. The Court, therefore, has jurisdiction over the instant case.

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[44] *Rohm Apollo Semiconductor Philippines vs. Commissioner of Internal Revenue*, G.R. No. 168950, January 14, 2015.

[45] G.R. Nos. 187485, 196113, and 197156, February 12, 2013.

[46] *Rohm Apollo Semiconductor Philippines vs. Commissioner of Internal Revenue*, G.R. No. 168950, January 14, 2015.

[47] *Silicon Philippines, Inc. (Formerly Intel Philippines Manufacturing, Inc.) vs. Commissioner of Internal Revenue*, G.R. No. 182737, March 2, 2016.

[48] BIR Records, Folder 3, p. 525.

[49] October 20, 2012 being a Saturday.

Petitioner may validly file a claim for refund of WPI's unutilized input VAT

The instant claim pertains to WPI's unutilized input VAT for the four quarters of FY ending March 31, 2011.

It is undisputed that on August 31, 2012, the Securities and Exchange Commission approved the merger of WPI and petitioner, with the latter as the surviving entity.[50]

Section 4.106-8 of Revenue Regulations (RR) No. 16-05, as amended, explicitly provides for the absorption of the unused input tax in the event of a merger, to wit:

> "SECTION 4.106-8. *Change or Cessation of Status as VAT-registered Person. –*
>
> xxx xxx xxx
>
> (3) Merger or consolidation of corporations. The unused input tax of the dissolved corporation, as of the date of merger or consolidation, shall be absorbed by the surviving or new corporation."

As admitted by the parties, petitioner, being the surviving corporation in a merger with WPI, and as such has, by operation of law, absorbed all of the assets and liabilities of WPI, including WPI's input VAT, has legal standing to institute the instant claim for refund of WPI's unutilized input VAT for fiscal year ending March 31, 2011.[51]

Pursuant to the afore-quoted provisions of Section 112(A) and (C) of the NIRC of 1997, as amended, the taxpayer-claimant must comply with the following requisites in order to be entitled to a refund or tax credit of excess input VAT attributable to zero-rated or effectively zero-rated sales:

1. that the taxpayer-claimant must be VAT-registered;
2. that there must be zero-rated or effectively zero-rated sales;
3. that input taxes were incurred or paid;
4. that such input taxes are attributable to zero-rated or effectively zero-rated sales;

[50] *Id.* at Note 7.
[51] *Id.* at Note 8.

5. that the input taxes were not applied against any output VAT liability; and
6. that the claim was filed within the prescriptive period.

As earlier resolved, petitioner has complied with the sixth requisite. Both the administrative and the judicial claims for refund were timely filed.

The Court shall now proceed to determine petitioner's compliance with the other requisites.

WPI is VAT-registered and had zero-rated sales for the subject period of claim

Anent the first requisite, petitioner alleges that WPI's sales of services qualify as zero-rated sales under Section 108(B)(2) of the NIRC of 1997, as amended, which is quoted hereunder for easy reference:

> "SEC. 108. *Value-added Tax on Sale of Services and Use or Lease of Properties.* –
>
> xxx xxx xxx
>
> (B) *Transactions Subject to Zero Percent (0%) Rate.* – The following services performed in the Philippines by VAT-registered persons shall be subject to zero percent (0%) rate:
>
> (1) Processing, manufacturing or repacking goods for other persons doing business outside the Philippines which goods are subsequently exported, where the services are paid for in acceptable foreign currency and accounted for in accordance with the rules and regulations of the *Bangko Sentral ng Pilipinas* (BSP);
>
> (2) Services other than those mentioned in the preceding paragraph rendered to a person engaged in business conducted outside the Philippines or to a nonresident person not engaged in business who is outside the Philippines when the services are performed, the consideration for which is paid for in acceptable foreign currency and accounted for in accordance with the rules and regulations of the *Bangko Sentral ng Pilipinas* (BSP);"

In the case of *Commissioner of Internal Revenue vs. Burmeister and Wain Scandinavian Contractor Mindanao, Inc.*[52], the Supreme Court held that in order for the supply of services to be VAT zero-rated under Section 108(B)(2) of the NIRC of 1997, as amended, the following requisites must be satisfied:

1. the services must be other than processing, manufacturing or repacking of goods;
2. the payment for such services must be in acceptable foreign currency accounted for in accordance with the BSP rules and regulations; and
3. the recipient of such services is doing business outside the Philippines.

As regards the first requisite, it is undisputed that WPI was duly registered with the BIR as a VAT enterprise in 2010 and 2011.[53] WPI was also registered with the SEC under Company Registration No. CS200810061[54] to engage in call center business that offers an integrated mix of call center solutions including inbound (customer-initiated) and outbound teleservicing.[55]

Pursuant to the agreements entered into by WPI with its clients, WNS Global Services (UK) Limited ("WNS UK" for brevity)[56] and WNS North America Inc. ("WNS NA" for brevity)[57], the former agreed to provide IT-enabled services to the latter within an agreed period, including the subject period of claim. These services clearly fall within the scope of "services other than processing, manufacturing or repacking of goods" contemplated by the afore-mentioned provision.

Likewise, petitioner was able to establish that WPI's clients, WNS UK and WNS NA are non-resident foreign corporations doing business outside the Philippines, as shown by the following documents:

Document	**WNS Global Services (UK) Limited**	**WNS North America Inc.**
SEC Certificate of Non-Registration of Company	"P-17-a"	"P-17-b"
Agreement dated July 31, 2010 by and between WPI vs WNS UK	"P-19-a"	
Agreement dated July 31, 2010 by and between WPI vs WNS NA		"P-19-b" to "P-19-d"
Certificate of Incorporation on Registration of a Public Company as a Private Company of Town & Country Assistance Limited	"P-27"	

[52] G.R. No. 153205, January 22, 2007.
[53] *Id.* at Note 4.
[54] *Id.* at Note 1.
[55] *Id.* at Note 18, p. 957, Exhibit "P-9", Notes to Financial Statements, March 31, 2011.
[56] *Id.* at Note 19, pp. 296-305, Exhibit "P-19-a".
[57] *Id.* at Note 19, pp. 306-310, Exhibit "P-19-b".

Certificate of Incorporation on Change of Name from Town & Country Assistance Limited to WNS Global Services (UK) Limited	"P-28"	
Certificate of Residence of WNS UK for 2010	"P-29"	
Certificate of Residence of WNS UK for 2011	"P-30"	
Financial Statements of WNS UK for 2010	"P-31"	
Financial Statements of WNS UK for 2011	"P-32"	
Certificate of Incorporation of WNS NA		"P-34"
WNS NA Consolidated Financial Statements for years ended March 31, 2010 and 2009		"P-35"
WNS NA Consolidated Financial Statements for years ended March 31, 2011 and 2010		"P-36"

In relation to the third requisite, Sections 113(A)(2), (B)(1), (2)(c) and (3) of the NIRC of 1997, as amended, as implemented by Sections 4.113-1(A)(2), (B)(1) and (2)(c) of RR No. 16-05, provide that a VAT taxpayer, like herein petitioner, shall for every lease of goods or properties, and for every sale, barter or exchange of services, issue a VAT official receipt which must contain the following information:

"SEC. 113. *Invoicing and Accounting Requirements for VAT-Registered Persons.* –

(A) *Invoicing Requirements.* – A VAT-registered person shall issue:

xxx xxx xxx

(2) A **VAT official receipt** for every lease of goods or properties, and **for every sale, barter or exchange of services**.

(B) *Information Contained in the VAT Invoice or VAT Official Receipt.* – The following information shall be indicated in the VAT invoice or VAT official receipt:

(1) A statement that the seller is a VAT-registered person, followed by his Taxpayer's Identification Number (TIN);

(2) The total amount which the purchaser pays or is obligated to pay to the seller with the indication that such amount includes the value-added tax: *Provided*, That:

xxx xxx xxx

(c) If the sale is subject to zero percent (0%) value-added tax, the term **'zero-rated sale'** shall be written or printed prominently on the invoice or receipt;

xxx xxx xxx

(3) The date of transaction, quantity, unit cost and description of the goods or properties or nature of the service; and" *(Emphasis supplied)*

"SECTION 4.113-1. *Invoicing Requirements.* –

(A) ***A VAT-registered person shall issue:*** –

xxx xxx xxx

(2) A **VAT official receipt** for every lease of goods or properties, and **for every sale, barter or exchange of services**.

Only VAT-registered persons are required to print their **TIN followed by the word 'VAT' in their invoice or official receipts**. Said documents shall be considered as a 'VAT Invoice' or VAT official receipt. All purchases covered by invoices/receipts other than VAT Invoice/VAT Official Receipt shall not give rise to any input tax.

VAT invoice/official receipt shall be prepared at least in duplicate, the original to be given to the buyer and the duplicate to be retained by the seller as part of his accounting records.

(B) ***Information contained in VAT invoice or VAT official receipt.*** – The following information shall be indicated in VAT invoice or VAT official receipt:

(1) A statement that the seller is a VAT-registered person, followed by his TIN;

(2) The total amount which the purchaser pays or is obligated to pay to the seller with the indication that such amount includes the VAT; Provided, That:

xxx xxx xxx

(c) If the sale is subject to zero percent (0%) VAT, the term **'zero-rated sale'** shall be written or printed prominently on the invoice or receipt;" *(Emphasis supplied)*

Pursuant to the foregoing provisions, the foreign currency remittances referred to under Section 108(B)(2) of the NIRC of 1997, as amended, must likewise be supported by VAT zero-rated official receipts.

For services rendered to WNS UK and WNS NA for the four quarters of FY ending March 31, 2011, WPI received foreign currency payments with peso equivalent of ₱217,394,130.63. In support thereto, petitioner submitted WPI's billing invoices[58], WPI's zero-rated VAT official receipts, and a Statement of Account issued by Hong Kong and Shanghai Banking Corporation (HSBC)[59], which are summarized as follows:

Client	O.R. No.	Date	Exhibit[60]	Amount of Sales in Foreign Currency	Amount of Sales in Pesos	Amount of Inward Remittance[61]
First Quarter *(Exhibit "P-8-A")*						
WNS UK - T-Mobile	0123	23-Apr-10	"P-3-L"	GBP150,000.00	₱ 10,198,500.00	GBP150,000.00
WNS UK - Travelocity	0131	31-May-10	"P-3-A"	USD73,279.49	3,443,034.03	-
WNS UK - Travelocity Amex	0132	31-May-10	"P-3-B"	USD21,083.74	990,619.52	-
WNS UK - T-Mobile	0134	31-May-10	"P-3-M"	GBP312,707.79	21,098,538.43	-
WNS NA - Travelocity	0036	30-Jun-10	"P-3-C"	USD67,853.33	3,150,430.11	USD133,646.91
WNS NA - Travelocity Premium	0037	30-Jun-10	"P-3-D"	USD31,809.86	1,476,931.80	
WNS NA - Travelocity Amex	0038	30-Jun-10	"P-3-E"	USD33,993.73	1,578,328.88	
WNS UK - T-Mobile	0039	30-Jun-10	"P-3-N"	GBP321,181.43	22,288,153.44	-

[58] *Id.* at Note 18, pp. 306-310, Exhibits "P-4-A" to "P-4-Y".
[59] *Id.* at pp. 924-937, Exhibits "P-5-A" to "P-6-A" and "P-5-B" to "P-6-B".
[60] *Id.* at pp. 867-898.
[61] *Id.* at pp. 924-937, Exhibits "P-5-A" to "P-6-A" and "P-5-B" to "P-6-B".

WNS UK - T-Mobile	0040	30-Jun-10	"P-3-O"	GBP5,660.27	392,790.35	-
				subtotal	**₱ 64,617,326.56**	
Second Quarter *(Exhibit "P-8-B")*						
WNS NA	0138	27-Jul-10	"P-3-F"	USD133,656.91	₱ 6,182,968.66	-
WNS UK	0139	07-Jul-10	"P-3-P"	GBP120,000.00	8,352,000.00	GBP120,000.00
WNS UK	0140	19-Jul-10	"P-3-Q"	GBP107,707.79	7,667,717.57	GBP107,707.79
WNS UK	0414	04-Aug-10	"P-3-R"	GBP134,993.73	9,724,543.33	GBP134,993.73
WNS UK	0142	11-Aug-10	"P-3-S"	GBP186,181.43	13,241,138.95	GBP186,181.43
WNS NA	0143	24-Aug-10	"P-3-G"	USD123,696.86	5,602,849.27	USD123,696.86
WNS UK	0144	01-Sep-10	"P-3-T"	GBP150,000.00	10,484,758.13	GBP150,000.00
WNS UK	0145	08-Sep-10	"P-3-U"	GBP176,534.54	12,063,578.46	GBP176,534.54
WNS UK	0146	16-Sep-10	"P-3-V"	GBP15,000.00	1,038,056.10	GBP15,000.00
WNS NA	0147	16-Sep-10	"P-3-H"	USD126,831.86	5,624,549.49	USD126,821.86
WNS UK	0148	29-Sep-10	"P-3-W"	GBP50,000.00	3,476,115.38	GBP50,000.00
WNS UK	0149	24-Sep-10	"P-3-X"	GBP105,000.00	7,257,681.90	GBP105,000.00
				subtotal	**₱ 90,715,957.24**	
Third Quarter *(Exhibit "P-8-C")*						
WNS NA	0150	07-Oct-10	"P-3-I"	USD114,645.53	₱ 4,985,934.10	USD114,645.53
WNS UK	0151	07-Oct-10	"P-3-Y"	GBP79,578.34	5,490,726.79	GBP79,578.34
WNS UK	0152	20-Oct-10	"P-3-Z"	GBP115,000.00	7,862,290.56	GBP115,000.00
WNS UK	0153	22-Oct-10	"P-3-AA"	GBP50,000.00	3,403,286.64	GBP50,000.00
WNS UK	0154	27-Oct-10	"P-3-BB"	GBP90,000.00	6,111,632.43	GBP90,000.00
WNS UK	0155	10-Nov-10	"P-3-CC"	GBP46,359.61	3,216,769.60	GBP46,359.61
WNS UK	0156	24-Nov-10	"P-3-DD"	GBP160,000.00	11,178,073.60	GBP160,000.00
WNS UK	0157	09-Dec-10	"P-3-EE"	GBP134,837.79	9,326,020.99	GBP134,837.79
				subtotal	**₱ 51,574,734.71**	
Fourth Quarter *(Exhibit "P-8-D")*						
WNS NA	0158	23-Feb-11	"P-3-J"	USD25,970.00	₱ 1,134,109.90	USD25,970.00
WNS NA	0159	09-Mar-11	"P-3-K"	USD85,789.00	3,724,958.38	USD85,789.00
WNS NA	0160	10-Mar-11	"P-3-FF"	USD80,000.00	5,627,043.84	USD80,000.00
				subtotal	**₱ 10,486,112.12**	
TOTAL					**₱217,394,130.63**	

As can be seen from the above summary, petitioner failed to present proof of foreign currency inward remittances corresponding to WPI's sales/receipts of ₱54,396,104.43, broken down as follows:

Client	O.R. No.	Date	Amount of Sales in Foreign Currency	Amount of Sales in Pesos
First Quarter				
WNS UK - Travelocity	0131	31-May-10	USD73,279.49	₱ 3,443,034.03
WNS UK - Travelocity Amex	0132	31-May-10	USD21,083.74	990,619.52
WNS UK - T-Mobile	0134	31-May-10	GBP312,707.79	21,098,538.43
WNS UK - T-Mobile	0039	30-Jun-10	GBP321,181.43	22,288,153.44
WNS UK - T-Mobile	0040	30-Jun-10	GBP5,660.27	392,790.35
			subtotal	**₱48,213,135.77**
Second Quarter				
WNS NA	0138	27-Jul-10	USD133,656.91	₱ 6,182,968.66
			subtotal	**6,182,968.66**
TOTAL				**₱54,396,104.43**

Thus, out of the ₱217,394,130.63 zero-rated sales/receipts declared by WPI for the four quarters of FY ending March 31, 2011, only the amount of ₱162,998,026.20 (₱217,394,130.63 less ₱54,396,104.43) qualifies for VAT zero-rating under Section 108(B)(2) of the NIRC of 1997, as amended.

The Court will now proceed to the determination of whether WPI incurred or paid input taxes in connection thereto and if said input taxes were not applied against any output VAT liability of WPI.

In its Quarterly VAT Returns for the four quarters of FY ending March 31, 2011, WPI reflected the following input taxes totaling ₱10,224,384.27 arising from amortization of capital goods purchases exceeding ₱1Million, domestic purchases of goods other than capital goods and domestic purchases of services, detailed as follows:

	1st Quarter *(Exh. "P-16-a")*	**2nd Quarter** *(Exh. "P-16-b")*	**3rd Quarter** *(Exh. "P-16-c")*	**4th Quarter** *(Exh. "P-16-d")*	**Total**
Input Tax Deferred on Capital Goods exceeding ₱1 Million from Previous Quarter	₱ 1,417,537.37	₱ 1,042,483.93	₱ 667,430.49	₱ 292,377.04	₱ 1,417,537.37
Add: Input Tax on Capital Goods exceeding ₱1Million Purchased this Quarter	-	-	-	-	-
Total Unamortized Input Tax on Capital Goods exceeding ₱1Million	1,417,537.37	1,042,483.93	667,430.49	292,377.04	1,417,537.37
Less: Input Tax on Purchases of Capital Goods exceeding ₱1 Million deferred for the succeeding period	1,042,483.93	667,430.49	292,377.04	235,753.32	235,753.32

Amortization of Input Tax on Capital Goods exceeding ₱1Million	375,053.44	375,053.44	375,053.45	56,623.72	1,181,784.05
Add: Input Tax on					
Domestic Purchases of Goods Other than Capital Goods	1,562.36	5,828.95	-	18,360.00	25,751.31
Domestic Purchase of Services	2,002,126.06	4,027,740.81	2,885,701.41	101,280.63	9,016,848.91
Total Input Tax	**₱2,378,741.86**	**₱4,408,623.20**	**₱3,260,754.86**	**₱176,264.35**	**₱10,224,384.27**

However, WPI's refund claim amounting to ₱10,163,064.25 is lower than the total declared input VAT by ₱61,320.02 (₱10,224,384.27 less ₱10,163,064.25).

In support of WPI's input VAT claim, petitioner presented the Schedule of Input Tax[62] and the related invoices, the official receipts and other documents[63], which were all examined by the Court-commissioned Independent CPA. In the Independent CPA's report[64], the input VAT claim of ₱10,163,064.25 was accounted as follows:

Findings	**Domestic Purchase of Services**	**Domestic Purchase of Goods other than Capital Goods**	**Amortization of Input VAT Deferred on Capital Goods exceeding ₱1Million from Previous Quarter**	**Total**
Input VAT on domestic purchases of services, goods, and amortized input VAT on domestic purchases of capital goods exceeding ₱1M supported by documents such as VAT ORs and VAT invoices	₱ 8,954,845.02	₱ 25,751.30	₱ 502,324.76	₱ 9,482,921.08
Amortized input VAT on domestic purchases of capital goods exceeding ₱1M supported by documents other than VAT invoices (such as ORs)	-	-	629,959.55	629,959.55
Amortized input VAT on domestic purchases of capital goods exceeding ₱1M supported by documents not issued under the Company's name	-	-	3,303.57	3,303.57

[62] Exhibits "P-A" to "P-7-D".
[63] Exhibits "P-2-A" to "P-2-KKKK".
[64] *Id.* at Note 19, pp. 211-241, Exhibit "P-23".

Amortized input VAT on domestic purchases of capital goods exceeding ₱1M supported by VAT invoices which pertain to amount of excess amortization after estimated useful life of capital goods	-	-	46,196.17	46,196.17
Input VAT on domestic purchases with no available supporting document	-	-		683.87
Total	**₱8,954,845.02**	**₱ 25,751.30**	**₱1,181,784.05**	**₱10,163,064.24**

The Court finds that the above input VAT in the amounts of ₱629,959.55, ₱3,303.57, ₱46,196.17 and ₱638.87 totaling ₱680,143.16 should be disallowed for not being properly substantiated by VAT invoices or receipts as prescribed under Sections 110(A), 113(A) and (B) of the NIRC of 1997, as amended, in relation to Sections 4.110-1, 4.110-8, and 4.113-1 of RR No. 16-05, as amended.

In addition, petitioner's input VAT claim in the amount of ₱8,872,815.67, detailed below, shall be disallowed for non-compliance with the substantiation requirements under the afore-mentioned VAT law and regulations:

Supplier's Name	Exhibit	Input VAT Claim	Amount of Input VAT was not separately indicated in the O.R. / Invoice	WPI's TIN was not indicated	WPI's Business Address was not indicated	WPI's registered name was incomplete	Supported by Documents other than VAT Official Receipt
INPUT VAT ON DOMESTIC PURCHASE OF SERVICES							
First Quarter							
Advanced Contract Solutions, Inc.	"P-2-A"	₱ 1,044,224.73	X	X	X		
Advanced Contract Solutions, Inc.	"P-2-B"	923,244.48	X	X	X	X	
DHL Express (Philippines) Corp.	"P-2-C"	269.72	X	X	X		
DHL Express (Philippines) Corp.	"P-2-D"	670.74	X	X	X		
DHL Express (Philippines) Corp.	"P-2-E"	272.03	X	X	X		
Eastwest Healthcare	"P-2-G"	18,581.55	X	X		X	
Eastwest Healthcare	"P-2-H"	264.32	X	X	X	X	
Oakwood Premier Joy Nostalg Center	"P-2-I"	621.73	X	X			
Quantum Hotels and Resorts	"P-2-J"	4,977.05	X	X	X		
subtotal		*1,993,126.35*					
Second Quarter							
Advanced Contract Solutions, Inc.	"P-2-K"	40,634.92	X	X	X		

Advanced Contract Solutions, Inc.	"P-2-L"	923,244.48	X	X	X		
Advanced Contract Solutions, Inc.	"P-2-M"	923,244.48	X	X			
Advanced Contract Solutions, Inc.	"P-2-N"	923,244.48	X	X	X		
Advanced Contract Solutions, Inc.	"P-2-O"	46,590.48	X	X	X		
Advanced Contract Solutions, Inc.	"P-2-P"	22,939.08	X				
Advanced Contract Solutions, Inc.	"P-2-Q"	923,244.48	X				
Bayan Telecommunications, Inc.	"P-2-R"	20,635.65	X				
Digital Switchover, Inc.	"P-2-S"	965.16	X	X	X		
Stellar Global Solutions	"P-2-V"	59,519.60	X	X			
subtotal		*3,884,262.81*					
Third Quarter							
Advanced Contract Solutions, Inc.	"P-2-W"	952,108.25	X				
Advanced Contract Solutions, Inc.	"P-2-X"	1,887,678.11	X				
Eastern Works Marketing	"P-2-Z"	1,504.82	X	X	X		
Sycip Salazar Hernandez & Gatmaitan	"P-2-AA"	30,231.00					X[65]
Sycip Salazar Hernandez & Gatmaitan	"P-2-BB"	12,295.34					X[66]
subtotal		*2,883,817.52*					
Fourth Quarter							
Manabat Sanagustin & Co., CPAs	"P-2-CC"	30,901.06	X	X	X		
Manabat Sanagustin & Co., CPAs	"P-2-DD"	46,379.57	X	X	X		
subtotal		*77,280.63*					
Total		***₱8,838,487.31***					
AMORTIZATION OF CAPITAL GOODS EXCEEDING 1M DEFERRED FROM PRIOR QUARTERS							
First Quarter							
Adept Corporation	"P-2-NN"	₱ 160.71	(Dated outside the period of claim, September 28, 2011)				
Com2, Inc.	"P-2-YY"	1,181.25	X	X			
Com2, Inc.	"P-2-ZZ"	3,937.50	X	X			
Com2, Inc.	"P-2-CCC"	2,109.38	X				
Oblation Trading	"P-2-PPP"	123.21	X	X	X	X	
Oblation Trading	"P-2-QQQ"	177.68	X	X	X	X	
Vil Clad Marketing Corp.	"P-2-XXX"	892.36	X				
subtotal		8,582.09					

[65] Supported by VAT Zero-Rated Official Receipt.
[66] Supported by VAT Zero-Rated/Exempt Official Receipt.

Second Quarter		8,582.09					
Third Quarter		8,582.09					
Fourth Quarter		8,582.09					
Total		***₱ 34,328.36***					
TOTAL DISALLOWED INPUT VAT PER THIS COURT'S FURTHER VERIFICATION		**₱8,872,815.67**					

Thus, out of the total input VAT claim of ₱10,163,064.25, only the amount of ₱610,105.41 represents WPI's valid input VAT, computed as follows:

Total Input VAT per Quarterly VAT Return	₱10,163,064.25
Less: Disallowances	
Per ICPA's report	680,143.16
Per this Court's further verification	8,872,815.67
Valid Input VAT	**₱ 610,105.41**

Since WPI had no taxable sales/receipts subject to 12% VAT nor exempt sales but only zero-rated sales/receipts, the net substantiated input VAT of ₱610,105.41 can be attributed to the entire zero-rated sales/receipts declared in its Quarterly VAT Returns for the subject period amounting to ₱217,394,130.63. However, only the input VAT of ₱457,445.55 is attributable to the valid zero-rated sales/receipts of ₱162,998,026.20, computed as follows:

Valid Excess Input VAT	**₱ 610,105.41**
Multiply by Valid Zero-Rated Sales/Receipts	x 162,998,026.20
Divide by Total Declared Zero-Rated Sales/Receipts	÷ 217,394,130.63
Input VAT Attributable to Valid Zero-Rated Sales/Receipts	**₱ 457,445.55**

WPI reported no output VAT liability against which the input VAT claim may be applied or credited.[67] Even though the claimed input VAT was carried over by WPI in its succeeding Quarterly VAT Returns[68] from the first quarter of FY 2012 to the first quarter of FY 2013, the same remained unutilized until it was deducted in its Quarterly VAT Return for the first quarter of FY 2011, as "VAT Refund/TCC claimed" [69] from the total available input tax of ₱14,602,872.16[70].

[67] *Id.* at pp. 276-283, Exhibits "P-16-a" to "P-16-d".
[68] *Id.* at Note 18, pp. 1021-1025, Exhibits "P-11-a" to "P-12-a".
[69] *Id.* at p. 1025, Exhibit "P-12-a", line 23D.
[70] *Id.*, Exhibit "P-12-a", line 22iliopp-.

Tax refunds, being in the nature of tax exemptions, are construed in *strictissimi juris* against the taxpayer and liberally in favor of the government.[71] The burden of claiming tax refund rests upon the taxpayer. In this case, petitioner was able to prove its entitlement to the claim for refund of its unutilized input VAT attributed to its zero-rated sales for FY ending March 31, 2011 in the reduced amount of ₱457,445.55.

WHEREFORE, premises considered, the instant Petition for Review is **PARTIALLY GRANTED**. Accordingly, respondent is **ORDERED TO REFUND OR TO ISSUE A TAX CREDIT CERTIFICATE** in the amount of **₱457,445.55** in favor of petitioner, representing WPI's unutilized excess input VAT attributable to its zero-rated sales/receipts for the four quarters of fiscal year ending March 31, 2011.

SO ORDERED.

MA. BELEN M. RINGPIS-LIBAN
Associate Justice

WE CONCUR:

LOVELL R. BAUTISTA
Associate Justice

ESPERANZA R. FABON-VICTORINO
Associate Justice

ATTESTATION

I attest that the conclusions in the above decision were reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.

LOVELL R. BAUTISTA
Associate Justice
Chairperson

[71] *Eastern Telecommunications Philippines, Inc. vs. Commissioner of Internal Revenue*, G.R. No. 183531, March 25, 2015.

CERTIFICATION

Pursuant to Section 13 of Article VIII of the Constitution, and the Division Chairperson's Attestation, it is hereby certified that the conclusions in the above Decision were reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.

Juanito C. Castañeda, Jr.
JUANITO C. CASTAÑEDA, JR.
Acting Presiding Justice