REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
Quezon City

Special Second Division

NIPPON EXPRESS PHILIPPINES CORPORATION,
Petitioner,

- versus -

COMMISSIONER OF INTERNAL REVENUE,
Respondent.

CTA CASE NO. 11111

Members:

RINGPIS-LIBAN, ***P.J.*** *& Chairperson*
MODESTO-SAN PEDRO, *and*
FERRER-FLORES, ***JJ.***

Promulgated:

x--x

DECISION

RINGPIS-LIBAN, *J*.:

The present *Petition for Review* filed on March 28, 2023, prays for the refund in the amount of ₱12,797,188.46, allegedly representing petitioner's unutilized input value-added tax (VAT) for the period October 1, 2020, to December 31, 2020.[1]

THE PARTIES

Petitioner Nippon Express Philippines Corporation is a corporation duly organized and existing under the laws of the Philippines.[2] It is registered with the Bureau of Internal Revenue (BIR) as a VAT taxpayer, under Taxpayer Identification Number (TIN) 004-669-434-00000, with registered address at Lot 85A & B Avocado Road FTI Complex East Service Road Western Bicutan 1630 Taguig City.[3]

[1] Summary of the Case, Pre-Trial Order dated February 19, 2024, Docket – Vol. I, p. 340.
[2] Exhibits "P-1" and "P-2", Docket – Vol. I, pp. 478 to 492.
[3] Exhibit "P-3", Docket – Vol. I, pp. 493 to 495.

Respondent is the Commissioner of the BIR, vested by law to enforce and implement the provisions of the National Internal Revenue Code (NIRC), as amended, as well as related statutes and their implementing rules and regulations. Respondent holds office at the BIR National Office Building.[4]

THE FACTS

On December 21, 2022, petitioner filed before the BIR-VAT Credit Audit Division (VCAD) an *Application for Refund of Unutilized Input Tax Related to Zero-rated Sales For the period October 1, 2020 to December 31, 2020* dated December 20, 2022,[5] together with an *Application for Tax Credits/Refunds* (BIR Form No. 1914),[6] in the total amount of ₱12,797,188.46, representing excess unutilized creditable input VAT for the period from October 1, 2020 to December 31, 2020.[7]

The *Tax Verification Notice* No. TVN201800190975 dated December 21, 2022,[8] was issued to petitioner, authorizing Revenue Officers Michele J. Alonzo-Bucayu and Marjorie C. Dioso to verify petitioner's supporting documents and/or pertinent records relative to the claim for VAT refund covering the period October 1 to December 31, 2020.[9]

On March 3, 2023, petitioner received the *VAT Refund Notice* dated February 14, 2022,[10] signed by Assistant Commissioner for Assessment Service, Maria Luisa I. Belen, stating that petitioner's application for VAT refund for the period from October 1, 2020 to December 31, 2020 is denied for lack of legal and factual bases;[11] and that petitioner has the "judicial remedy to appeal with the Court of Tax Appeals (CTA) within thirty (30) days upon receipt of the decision on the administrative application with the BIR pursuant to Section 112(C) of the NIRC of 1997, as amended by Republic Act No. 10963."[12]

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[4] Par. A.1., *Joint Stipulation of Facts and Issues* (JSFI), Docket – Vol. I, p. 317.

[5] Exhibit "P-26", BIR Records (Exhibit "R-5"), pp. 281 to 303.

[6] Exhibit "P-25", BIR Records (Exhibit "R-5"), p. 304.

[7] Refer to pars. 2.1 and 4.7 to 4.8, *Petition for Review*, vis-à-vis par. 3, *Answer (Re: Petitioner's Petition for Review dated 27 March 2023)*, Docket – Vol. I, pp. 2 and 6, and 240 to 241, respectively.

[8] Exhibits "P-28" and "R-1", BIR Records (Exhibit "R-5"), p. 308.

[9] Par. 4.9, *Petition for Review*, vis-à-vis par. 3, *Answer (Re: Petitioner's Petition for Review dated 27 March 2023)*, Docket – Vol. I, pp. 6 and 240 to 241, respectively.

[10] Exhibits "P-29" and "R-4" to "R-4-A", BIR Records (Exhibit "R-5"), pp. 425 to 453.

[11] Par. 4.11, *Petition for Review*, vis-à-vis par. 3, *Answer (Re: Petitioner's Petition for Review dated 27 March 2023)*, Docket – Vol. I, pp. 6 and 240 to 241, respectively.

[12] Par. 2.3, *Petition for Review*, vis-à-vis par. 3, *Answer (Re: Petitioner's Petition for Review dated 27 March 2023)*, Docket – Vol. I, pp. 2 and 240 to 241, respectively.

PROCEEDINGS BEFORE THIS COURT

As earlier stated, the *Petition for Review* was filed on March 28, 2023.[13]

On June 27, 2023, respondent filed his *Answer (Re: Petitioner's Petition for Review dated 27 March 2023)*,[14] interposing the following special and affirmative defenses, to wit: (1) it is an established fact that a decision by the Commissioner of Internal Revenue has already been rendered and in such case, the Supreme Court has held that the duty of the Court is now limited in determining whether the decision is proper; (2) petitioner is not entitled to the VAT refund; (3) the claim for tax refund must be denied due to petitioner's failure to comply with the requirements pursuant to Section 112(A) of the Tax Code, as amended; (4) petitioner failed to comply with the invoicing requirements under Section 113 of the Tax Code, as amended; (4) the *Petition* must be dismissed for failure of petitioner to substantiate its administrative claim for refund; and (5) tax refunds are strictly construed against the taxpayer and in favor of the government.

Respondent transmitted the *BIR Records* of this case on June 27, 2023, consisting of one (1) folder.[15]

The Pre-Trial Conference was set and held on October 3, 2023.[16] Prior thereto, petitioner's *Pre-Trial Brief* was filed on August 15, 2023,[17] while the *Amended Respondent's Pre-Trial Brief* was submitted on October 2, 2023.[18]

On October 27, 2023, the parties submitted their *Joint Stipulation of Facts and Issues*,[19] which was admitted and approved by the Court in its Resolution dated November 15, 2023,[20] thereby deeming the termination of the Pre-Trial. The Pre-Trial Order dated February 19, 2024 was then issued.[21]

Trial then ensued, with both parties presenting and offering their respective testimonial and documentary evidence.

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[13] Docket – Vol. I, pp. 1-D to 57, and 87 to 88 (for the *Corporate Secretary's Certificate*).

[14] Docket – Vol. I, pp. 240 to 260.

[15] Respondent's *Compliance* dated June 26, 2023, Docket – Vol. I, pp. 235 to 237.

[16] Notice of Pre-Trial Conference dated July 5, 2023, Docket – Vol. I, pp. 272 to 273; Minutes of the hearing held on, and Order dated, October 3, 2023, Docket – Vol. I, pp. 300 to 302.

[17] Docket – Vol. I, pp. 274 to 286.

[18] Docket – Vol. I, pp. 294 to 297.

[19] Docket – Vol. I, pp. 317 to 328.

[20] Docket – Vol. I, p. 330.

[21] Docket – Vol. I, pp. 340 to 345.

Petitioner offered the testimonies of the following individuals, namely: (1) Ms. Elizabeth D. Quingquing,[22] petitioner's Finance Manager; and (2) Mr. Neil U. Sison,[23] the Court-commissioned Independent Certified Public Accountant (ICPA).[24]

The *Amended and Final Report* of the ICPA was submitted on May 6, 2024.[25]

On July 31, 2024, petitioner filed its *Formal Offer of Evidence*,[26] to which respondent filed his *Comment Re: Petitioner's Formal Offer of Evidence* on August 8, 2024.[27] In the Resolution dated September 23, 2024,[28] the Court admitted all of petitioner's offered exhibits.

For his part, respondent presented the testimony of Revenue Officer III Michele J. Alonzo-Bucayu.[29]

On October 9, 2024, respondent filed his *Formal Offer of Evidence*,[30] to which petitioner filed its *Comment and Opposition (To the Respondent's Formal Offer of Evidence)* on October 17, 2024.[31] In the Resolution dated November 29, 2024,[32] the Court admitted all of respondent's offered exhibits.

In the meantime, respondent filed his *Memorandum*,[33] while petitioner submitted its *Memorandum* on January 28, 2025.[34]

The case was considered submitted for decision on February 6, 2025.[35]

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[22] Exhibit "P-30", Docket – Vol. I, pp. 91 to 116, and 224 (for the *Attestation*); Minutes of the hearing held on, and Order dated, February 29, 2024, Docket – Vol. I, pp. 361, and 363 to 364, respectively.

[23] Exhibits "P-134", Docket – Vol. I, pp. 430 to 455, and 429 (for the *Attestation*); Minutes of the hearing held on, and Order dated, July 11, 2024, Docket – Vol. I, pp. 459 to 461.

[24] *Oath of Commission* dated February 29, 2024, Docket – Vol. I, p. 362; Minutes of the hearing held on, and Order dated, February 29, 2024, Docket – Vol. I, pp. 361, and 363 to 364, respectively.

[25] Exhibit "P-133", Docket – Vol. I, pp. 392 to 414.

[26] Docket – Vol. I, pp. 465 to 476.

[27] Docket – Vol. I, pp. 497 to 499.

[28] Docket – Vol. I, pp. 503 to 504.

[29] Exhibit "R-6", Docket – Vol. I, pp. 265 to 271; Minutes of hearing held on September 24, 2024, Docket – Vol. I, p. 505.

[30] Docket – Vol. I, pp. 508 to 512.

[31] Docket – Vol. I, pp. 516 to 517.

[32] Docket – Vol. II, p. 521.

[33] Docket – Vol. II, pp. 523 to 546.

[34] Docket – Vol. II, pp. 550 to 613.

[35] Minute Resolution dated February 6, 2025, Docket – Vol. II, p. ___.

THE ISSUES

The parties submit the following issues for this Court's resolution:

"PETITIONER:

WHETHER OR NOT THE PETITIONER IS ENTITLED FOR TAX REFUND IN THE AMOUNT OF TWELVE MILLION SEVEN HUNDRED NINETY-SEVEN THOUSAND ONE HUNDRED EIGHTY-EIGHT PESOS AND FORTY-SIX CENTAVOS (PHP12,797,188.46) REPRESENTING PETITIONER'S EXCESS AND UNUTILIZED INPUT VALUE ADDED TAX (VAT) ALLOCABLE TO ITS VAT ZERO-RATED SALES FOR THE PERIOD OCTOBER 1, 2020 TO DECEMBER 31, 2020

RESPONDENT:

WHETHER OR NOT THE ADMINISTRATIVE DECISION, SERVED TO PETITIONER, ON DENYING THE CLAIM FOR REFUND BASED ON THE EVIDENCE PRESENTED BEFORE THE BUREAU OF INTERNAL REVENUE IS PROPER"[36]

THE ARGUMENTS OF THE PARTIES

Petitioner claims that it is a VAT-registered taxpayer whose sales are entitled to VAT zero-rating; that its sales of services other than processing, manufacturing or repacking of goods were rendered to a non-resident foreign corporation, and paid for in acceptable foreign currency; that payment is made through offsetting; that freight revenue is attributable to export sales; that it has sales to economic zones or separate customs territories, Philippine Economic Zone Authority (PEZA) registered entities, Bases Conversion and Development Act, and Board of Investment (BOI) registered enterprise; that it has sales of service to Asian Development Bank (ADB), Consular Office of Japan/Embassy of Japan, and Philippine Amusement and Gaming Corporation (PAGCOR); that petitioner had unutilized and unapplied input tax credits for the period from

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[36] Par. B, JSFI, Docket – Vol. I, pp. 317 to 318.

October 1, 2020 to December 31, 2020 allocable to its zero-rated sales in the aggregate amount of ₱12,797,188.46; that petitioner timely filed its administrative claim within the two (2)-year prescriptive period; that petitioner seasonably filed this *Petition for Review* with the Court against the decision of the authorized representative of the respondent under Section 112(C) of the Tax Code; and that petitioner should have been granted refund of ₱12,797,188.46 for the period October 1, 2020 to December 31, 2020.

Respondent contends that it is an established fact that when a decision has already been rendered by respondent, the duty of the Court, as held by the Supreme Court, is now limited in determining whether the decision is proper; that the decisions of administrative body are given weight especially so if based on substantial evidence; that the *Petition* must be dismissed for failure of petitioner to substantiate its administrative claim for refund; that petitioner is not entitled to the VAT refund; and that tax refunds are strictly construed against the taxpayer and in favor of the government.

THE RULING OF THE COURT

The present *Petition for Review* must be denied for lack of merit.

Requisites under the law for the refund or issuance of tax credit certificate of input VAT.

Section 112 of the NIRC of 1997, as last amended by Republic Act (RA) No. 10963,[37] provides, in part, 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

[37] AN ACT AMENDING SECTIONS 5, 6, 24, 25, 27, 31, 32, 33, 34, 51, 52, 56, 57, 58, 74, 79, 84, 86, 90, 91, 97, 99, 100, 101, 106, 107, 108, 109, 110, 112, 114, 116, 127, 128, 129, 145, 148, 149, 151, 155, 171, 174, 175, 177, 178, 179, 180, 181, 182, 183, 186, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 232, 236, 237, 249, 254, 264, 269, AND 288; CREATING NEW SECTIONS 51-A, 148-A, 150-A, 150-B, 237-A, 264-A, 264-B, AND 265-A; AND REPEALING SECTIONS 35, 62, AND 89; ALL UNDER REPUBLIC ACT NO. 8424, OTHERWISE KNOWN AS THE NATIONAL INTERNAL REVENUE CODE OF 1997, AS AMENDED, AND FOR OTHER PURPOSES.

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 or 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 of Input Taxes shall be Made.* — In proper cases, the Commissioner shall grant a refund for creditable input taxes within ninety (90) days from the date of submission of the official receipts or invoices and other documents in support of the application filed in accordance with Subsections (A) and (B) hereof: *Provided,* That should the Commissioner find that the grant of refund is not proper, the Commissioner must state in writing the legal and factual basis for the denial.

In case of full or partial denial of the claim for tax refund, the taxpayer affected may, within thirty (30) days from the receipt of the decision denying the claim, appeal the decision with the Court of Tax Appeals: *Provided, however,* That failure on the part of any official, agent, or employee of the BIR to act on the application within the ninety (90)-day period shall be punishable under Section 269 of this Code."

Based on the foregoing provision, jurisprudence has laid down certain requisites which the taxpayer-applicant must comply with to successfully obtain a credit/refund of input VAT. Said requisites may be classified into certain categories as follows:

<u>As to the timeliness of the filing of the administrative and judicial claims</u>:

1. the refund claim is filed with the BIR within two (2) years after

the close of the taxable quarter when the sales were made;[38]

2. in case of full or partial denial of the refund claim rendered within a period of ninety (90) days from the date of submission of the official receipts (ORs) or invoices and other documents in support of the application, the judicial claim shall be filed with this Court within thirty (30) days from receipt of the decision;[39]

With reference to the taxpayer's registration with the BIR:

3. the taxpayer is a VAT-registered person;[40]

In relation to the taxpayer's output VAT:

4. the taxpayer is engaged in zero-rated or effectively zero-rated sales;[41]

5. for zero-rated sales under Section 106(A)(2)(a)(1), (2) and (b) and Section 108(B)(1) and (2),[42] the acceptable foreign currency exchange proceeds have been duly accounted for in accordance with the *Bangko Sentral ng Pilipinas* (BSP) rules and regulations;[43]

As regards the taxpayer's input VAT being refunded:

6. the input taxes are not transitional input taxes;[44]

7. the input taxes are due or paid;[45]

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[38] *Intel Technology Philippines, Inc. vs. Commissioner of Internal Revenue*, G.R. No. 166732, April 27, 2007; *San Roque Power Corporation vs. Commissioner of Internal Revenue*, G.R. No. 180345, November 25, 2009; and *AT&T Communications Services Philippines, Inc. vs. Commissioner of Internal Revenue*, G.R. No. 182364, August 3, 2010.

[39] Refer to *Energy Development Corporation vs. Commissioner of Internal Revenue*, G.R. No. 203367, March 17, 2021; *Commissioner of Internal Revenue vs. CE Casecnan Water and Energy Company, Inc.*, G.R. No. 212727, February 1, 2023; and *Commissioner of Internal Revenue vs. Vestas Services Philippines, Inc.*, G.R. No. 255085, March 29, 2023.

[40] *Intel Technology Philippines, Inc. vs. Commissioner of Internal Revenue*, supra; *San Roque Power Corporation vs. Commissioner of Internal Revenue*, supra; and *AT&T Communications Services Philippines, Inc. vs. Commissioner of Internal Revenue*, supra.

[41] *Id.*

[42] Under RA No. 10963, Section 106(A)(2)(a)**(2)** was renumbered to Section 106(A)(2)(a)**(3)** while Section 106(A)(2)**(b)** was deleted. However, there was no corresponding amendment to the subsections cited in Section 112(A) of the NIRC of 1997, as amended.

[43] *Intel Technology Philippines, Inc. vs. Commissioner of Internal Revenue*, supra; *San Roque Power Corporation vs. Commissioner of Internal Revenue*, supra; and *AT&T Communications Services Philippines, Inc., vs. Commissioner of Internal Revenue*, supra.

[44] *Id.*

[45] *Id.*

8. the input taxes claimed are attributable to zero-rated or effectively zero-rated sales. However, where there are both zero-rated or effectively zero-rated sales and taxable or exempt sales, and the input taxes cannot be directly and entirely attributable to any of these sales, the input taxes shall be proportionately allocated on the basis of sales volume;[46] and

9. the input taxes have not been applied against output taxes during and in the succeeding quarters.[47]

Relative to the *fourth* and *seventh* requisites, petitioner's compliance with all the VAT invoicing requirements is required to be able to file a claim for input taxes attributable to zero-rated sales.[48] The invoicing and substantiation requirements should be followed because it is the only way to determine the veracity of the taxpayer's claims.[49] More importantly, it must be emphasized that compliance with all the VAT invoicing requirements provided by tax laws and regulations is mandatory.[50]

To be clear, Section 113 of the Tax Code, as amended by RA No. 9337,[51] provides the VAT invoicing requirements under the law, to wit:

> "SEC. 113. *Invoicing and Accounting Requirements for VAT-registered Persons.* –
>
> (A) *Invoicing Requirements.* – A VAT-registered person shall issue:
>
> (1) A VAT invoice for every sale, barter or exchange of goods or properties; and
>
> (2) A VAT official receipt for every lease of goods or properties, and for every sale, barter or exchange of services.

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[46] *Intel Technology Philippines, Inc. vs. Commissioner of Internal Revenue*, supra; and *San Roque Power Corporation vs. Commissioner of Internal Revenue*, supra.

[47] *Intel Technology Philippines, Inc. vs. Commissioner of Internal Revenue*, supra; *San Roque Power Corporation vs. Commissioner of Internal Revenue*, supra; and *AT&T Communications Services Philippines, Inc. vs. Commissioner of Internal Revenue*, supra.

[48] *J.R.A. Philippines, Inc. vs. Commissioner of Internal Revenue*, G.R. No. 171307, August 28, 2013.

[49] *Nippon Express (Philippines) Corporation vs. Commissioner of Internal Revenue*, G.R. No. 191495, July 23, 2018.

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

[51] AN ACT AMENDING SECTIONS 27, 28, 34, 106, 107, 108, 109, 110, 111, 112, 113, 114, 116, 117, 119, 121, 148, 151, 236, 237 AND 288 OF THE NATIONAL INTERNAL REVENUE CODE OF 1997, AS AMENDED, AND FOR OTHER PURPOSES.

(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:

(a) The amount of the tax shall be shown as a separate item in the invoice or receipt;

(b) If the sale is exempt from value-added tax, the term **'VAT-exempt sale'** shall be written or printed prominently on the invoice or receipt;

(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;

(d) If the sale involves goods, properties or services some of which are subject to and some of which are VAT zero-rated or VAT-exempt, the invoice or receipt shall clearly indicate the break-down of the sale price between its taxable, exempt and zero-rated components, and the calculation of the value-added tax on each portion of the sale shall be shown on the invoice or receipt: *Provided,* That the seller may issue separate invoices or receipts for the taxable, exempt, and zero-rated components of the sale.

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

(4) In the case of sales in the amount of One thousand pesos (P1,000) or more where the sale or transfer is made to a VAT-registered person, the name, business style, if any, address and Taxpayer Identification Number (TIN) of the purchaser, customer or client.

xxx xxx xxx." (*Emphases added*)

Implementing the foregoing provision, Section 4.113-1 of Revenue Regulations (RR) No. 16-2005[52] provides as follows:

> "SEC. 4.113-1. *Invoicing Requirements.* —
>
> (A) *A VAT-registered person shall issue:* —
>
> (1) A VAT invoice for every sale, barter or exchange of goods or properties; and
>
> (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:
>
> > (a) The amount of tax shall be shown as a separate item in the invoice or receipt;
> >
> > (b) If the sale is exempt from VAT, the term 'VAT-exempt sale' shall be written or printed prominently on the invoice or receipt;

[52] SUBJECT: Consolidated Value-Added Tax Regulations of 2005.

(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;

(d) If the sale involves goods, properties or services some of which are subject to and some of which are VAT zero-rated or VAT-exempt, the invoice or receipt shall clearly indicate the break-down of the sale price between its taxable, exempt and zero-rated components, and the calculation of the VAT on each portion of the sale shall be shown on the invoice or receipt. The seller has the option to issue separate invoices or receipts for the taxable, exempt, and zero-rated components of the sale.

(3) In the case of sales in the amount of one thousand peso (P1,000.00) or more where the sale or transfer is made to a VAT-registered person, the name, business style, if any, address and TIN of the purchaser, customer or client, shall be indicated in addition to the information required in (1) and (2) of this Section."

In addition to the above requirements, *sales invoices* (SIs) and ORs must be duly registered with the BIR as prescribed under Section 237, in relation to Section 238, of the NIRC of 1997, as amended by RA No. No. 10963, to wit:

"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 nature of service**: *Provided, however,* That where the receipt is issued to cover payment made as rentals, commissions, compensation or fees, receipts or invoices shall be issued which shall show the name, business style, if any, and address of the purchaser, customer or client: *Provided, further,* That where the purchaser is a VAT-registered person, in addition to the information herein required, the invoice or receipt shall further show the Taxpayer Identification Number (TIN) of the purchaser.

xxx xxx xxx" *(Emphasis added)*

> "SEC. 238. *Printing of Receipts or Sales or Commercial Invoices.* — All persons who are engaged in business shall secure from the Bureau of Internal Revenue an authority to print receipts or sales or commercial invoices before a printer can print the same
>
> No authority to print receipts or sales or commercial invoices shall be granted unless the receipts or invoices to be printed are serially numbered and shall show, among other things, the name, business style, Taxpayer Identification Number (TIN) and business address of the person or entity to use the same, and such other information that may be required by rules and regulations to be promulgated by the Secretary of Finance, upon recommendation of the Commissioner.
>
> xxx xxx xxx."

Furthermore, it must be emphasized that in cases filed before this Court, which are litigated *de novo*, party-litigants must prove <u>every minute aspect</u> of their case.[53] Thus, it behooves petitioner to show compliance with each of the foregoing requisites and invoicing requirements.

Petitioner's administrative and judicial claims for refund/credit were timely filed.

The *first* requisite provided in Section 112(A) of the NIRC of 1997, as amended, pertains to the filing of the administrative claim for tax credit or refund of input VAT before the BIR, within two (2) years after the close of the taxable quarter when the zero-rated sales or effectively zero-rated sales were made.

The present claim covers the 4th quarter of taxable year 2020. Counting two (2) years from the close of the said quarter, particularly, December 31, 2020, the last day to file an administrative claim for refund of excess or unutilized input VAT was on December 31, 2022. Thus, the filing of petitioner's *Application for Refund of Unutilized Input Tax Related to Zero-rated Sales For the period October 1, 2020*

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[53] *Edison (Bataan) Cogeneration Corporation vs. Commissioner of Internal Revenue, et seq.*, G.R. Nos. 201665 and 201668, August 30, 2017; *Commissioner of Internal Revenue vs. Philippine National Bank*, G.R. No. 180290, September 29, 2014; *Commissioner of Internal Revenue vs. United Salvage and Towage (Phils.), Inc.*, G.R. No. 197515, July 2, 2014; *Dizon vs. Court of Tax Appeals, et al.*, G.R. No. 140944, April 30, 2008; *Atlas Consolidated Mining and Development Corporation vs. Commissioner of Internal Revenue*, G.R. No. 145526, March 16, 2007; and *Commissioner of Internal Revenue vs. Manila Mining Corporation*, G.R. No. 153204, August 31, 2005.

to December 31, 2020,[54] together with its *Application for Tax Credits/Refunds* (BIR Form No. 1914),[55] was timely made within the two (2)-year prescriptive period.

As for the *second* requisite, the same necessitates that the judicial claim must have been filed within thirty (30) days from receipt of respondent's decision or after the expiration of the ninety (90)-day period from the date of submission of the ORs or SIs and other documents in support of the application for refund under Section 112(C) of the NIRC of 1997, as amended by RA No. 10963.

Counting ninety (90) days from petitioner's submission of its administrative claim on December 21, 2022, respondent had until March 21, 2023 to act on the said claim. Thus, respondent's *VAT Refund Notice* dated February 14, 2022,[56] informing petitioner that its application for VAT refund was denied for lack of factual and legal bases, was issued well-within the ninety (90)-day period.

Petitioner received the said *VAT Refund Notice* from respondent on March 3, 2023. Counting thirty (30) days therefrom, petitioner had until April 3, 2023[57] to file its judicial claim for refund. Therefore, the filing of the present *Petition on Review* on March 28, 2023[58] was likewise timely made.

Such being the case, the Court finds that petitioner complied with the above-stated *first* and *second* requisites.

Petitioner is a VAT-registered entity.

Anent the *third* requisite, it is undisputed that petitioner is a VAT-registered person/entity, with TIN 004-669-434-00000, as evidenced by BIR *Certificate of Registration* No. OCN 125RC20240000001634.[59] Thus, there is no question that petitioner showed compliance with the said requisite.

Petitioner is able to partially establish that it was engaged in zero-rated sales or effectively zero-rated

[54] Exhibit "P-26", BIR Records (Exhibit "R-5"), pp. 281 to 303.

[55] Exhibit "P-25", BIR Records (Exhibit "R-5"), p. 304.

[56] Exhibits "P-29" and "R-4" to "R-4-A", BIR Records (Exhibit "R-5"), pp. 425 to 453.

[57] April 2, 2023 fell on a Sunday.

[58] Docket – Vol. I, pp. 1-D to 57, and 87 to 88 (for the *Corporate Secretary's Certificate*).

[59] Exhibit "P-3", Docket – Vol. I, pp. 493 to 495.

sales during the 4th quarter of the taxable year 2020.

The *fourth* and *fifth* requisites require that the taxpayer be engaged in zero-rated or effectively zero-rated sales and for zero-rated sales under Sections 106(A)(2)(a)(1), (2) and (b),[60] and 108(B)(1) and (2) of the Tax Code, as amended, the acceptable foreign currency exchange proceeds have been duly accounted for in accordance with BSP rules and regulations.

In its amended *Quarterly Value-Added Tax Return* (BIR Form No. 2550-Q) for the 4th quarter of 2020,[61] petitioner reported total sales of ₱1,585,966,198.44, detailed as follows:

VATable sales	₱ 788,822,879.41
Zero-rated sales	797,143,319.03
Total	**₱1,585,966,198.44**

Petitioner's zero-rated sales are categorized as follows:[62]

Nature	Total
Sale to PEZA, AFAB, SBMA, and CDC	₱ 372,214,061.27
Sale to NRFCs	423,529,303.58
Sale to BOI	378,331.68
Sale to ADB, DFA, Consular Office of Japan/Embassy of Japan	751,772.66
Interbranch Sales	281,115.97
VATable Sales	(10,481.48)
Difference between QVAT and Schedules	(784.65)
TOTAL	**₱ 797,143,319.03**

Petitioner claims that its freight services to (i) Entities registered with PEZA, BOI, Clark Development Corporation (CDC), Subic Bay Metropolitan Authority (SBMA) and Freeport Area of Bataan (FAB); (ii) ADB; (iii) Consular Office of Japan/Embassy of Japan; and (iv) PAGCOR are effectively zero-rated sales,[63] pursuant to Section 108(B)(3) of the Tax Code, as amended.[64]

[60] Under RA No. 10963, Section 106(A)(2)(a)**(2)** was renumbered to Section 106(A)(2)(a)**(3)** while Section 106(A)(2)**(b)** was deleted. However, there was no corresponding amendment to the subsections cited in Section 112(A) of the NIRC of 1997, as amended.

[61] Exhibit "P-17-1", Docket – Vol. I, pp. 152 to 153.

[62] Item 9, Findings and Observation, Exhibit "P-133", Docket – Vol. I, p. 400.

[63] Q&A No. 17, Exhibit "P-30", Docket – Vol. I, p. 94.

[64] Par. 5.35, petitioner's *Memorandum*, Docket – Vol. II, p. 569.

In order for sales to these entities to qualify as effectively zero-rated, and in addition to the essential element that the sale was made by a VAT registered person, it is imperative that the seller must prove that its customers are entities whose exemption is under special laws or international agreements to which the Philippines is a signatory, *e.g.*, PEZA-,BOI-, CDC-, SBMA-, or FAB-registered.

In this case, petitioner submitted 237 certifications issued by PEZA pertaining to its customers.[65] Examination by the Court shows that the validity of the certifications are for the year 2020, except for the certifications for Cebu Mold Technology, Inc., Kenko Tokina Slik Corporation, and Philippines Kenko Corporation, which are valid for July to December 2020.[66] Nevertheless, the Court finds the same to be in order as they still cover petitioner's claim for the 4th quarter of 2020.

As for petitioner's sales to BOI, CDC, SBMA, FAB, ADB, the Consular Office of Japan/Embassy of Japan, and PAGCOR, the Court notes that no documentary evidence was presented by petitioner that could prove that its sales to the said entities qualify as zero-rated sales. Thus, petitioner's sales thereon cannot be considered zero-rated sales in the claim for refund.

For petitioner's services to non-resident foreign corporations (NRFCs),[67] the same may be subject to zero percent (0%) VAT, pursuant to Section 108(B)(2) of the NIRC of 1997, as amended by RA No. 10963, which provides:

> "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 of 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);

[65] Exhibits "P-54" to "P-54-237", USB (Exhibit "P-133-2").

[66] Exhibits "P-54-218" to "P-54-220", USB (Exhibit "P-133-2").

[67] Exhibit "P-55", USB (Exhibit "P-133-2").

(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);"

Based on the foregoing provision, certain *essential elements* must be present for a sale or supply of services to be subject to the VAT rate of zero percent (0%) under Section 108(B)(2) of the NIRC of 1997, as amended by RA No. 10963, to wit:

1. The services fall under any of the categories under Section 108(B)(2),[68] or simply, the services rendered should be other than *"processing, manufacturing or repacking goods"*;[69]

2. The service must be performed in the Philippines[70] by a VAT-registered person;

3. The recipient of the services is a foreign corporation, and the said corporation is doing business *outside* the Philippines, or is a nonresident person not engaged in business who is *outside* the Philippines when the services were performed;[71] and

4. The payment for such services should be in acceptable foreign currency accounted for in accordance with BSP rules.[72]

The ICPA reported that only ₱790,001,169.25 of petitioner's zero-rated sales complied with the invoicing requirements:[73]

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[68] *Commissioner of Internal Revenue vs. American Express International, Inc. (Philippine Branch)*, G.R. No. 152609, June 29, 2005.

[69] *Commissioner of Internal Revenue vs. Burmeister and Wain Scandinavian Contractor Mindanao, Inc.*, G.R. No. 153205, January 22, 2007.

[70] *Commissioner of Internal Revenue vs. Burmeister and Wain Scandinavian Contractor Mindanao, Inc.*, supra; *Commissioner of Internal Revenue vs. American Express International, Inc. (Philippine Branch)*, supra.

[71] *Sitel Philippines Corporation (Formerly Clientlogic Phils. Inc.) vs. Commissioner of Internal Revenue*, G.R. No. 201326, February 8, 2017; *Commissioner of Internal Revenue vs. Burmeister and Wain Scandinavian Contractor Mindanao, Inc.*, supra; *Accenture, Inc. vs. Commissioner of Internal Revenue*, G.R. No. 190102, July 11, 2012.

[72] *Commissioner of Internal Revenue vs. Burmeister and Wain Scandinavian Contractor Mindanao, Inc.*, supra; *Commissioner of Internal Revenue vs. American Express International, Inc. (Philippine Branch)*, supra.

[73] Exhibit "P-133", Docket – Vol. I, at p. 401.

Exhibit Reference	Description	Valid	Invalid	Total
P-60	Zero-rated sales of service properly substantiated by VAT ORs which complied with invoicing requirements	₱ 597,493,175.98		₱ 597,493,175.98
P-61	Zero-rated sales of service supported by altered VAT ORs but are countersigned by the same person who signed the VAT ORs.	26,132,360.73		26,132,360.73
P-62	Zero-rated sales of services supported by altered VAT ORs but countersigned by Petitioner's authorized representative as evidenced by Petitioner's Certificate of Authorized Representatives (Exhibit P-36).	18,797,640.97		18,797,640.97
P-63	Zero-rated sales of service properly substantiated by VAT ORs which complied with invoicing requirements with Reconciling Items	2,835,182.32	₱ 9,318.60	2,844,500.92
P-64	Zero-rated sales of service properly substantiated by VAT ORs which complied with invoicing requirements where Billings < ORs (WHICHEVER IS LOWER)	51,022,422.46		51,022,422.46
P-70	Zero-rated sales of service properly substantiated by VAT ORs which complied with invoicing requirements where ORs < Billings (WHICHEVER IS LOWER)	19,733,795.87	407,641.56	20,141,437.43
P-72	Zero-rated sales of service properly substantiated by VAT ORs which complied with invoicing requirements with Foreign Exchange Difference	82,296,008.94		82,296,008.94
P-102	Zero-rated sales of service properly substantiated by VAT ORs which compiled with invoicing requirements (Unreconciled)		1,390,368.88	1,390,368.88
P-103	Zero-rated sales of services supported by altered VAT ORs with countersign but not among the list of Petitioner's Authorized Representatives.		272,058.29	272,058.29
P-65	Out-of-Period zero-rated sales		361,311.00	361,311.00
P-66	Unreadable zero-rated sales		265,075.54	265,075.54
P-67	Zero-rated sales supported with cancelled official receipts		3,000.00	3,000.00

P-68	Zero-rated sales supported with no OR date		8,053.49	8,053.49
P-69	Invalid zero-rated sales due to non-compliance to invoicing requirements		2,498,822.30	2,498,822.30
P-82	Zero-rated sales supported by altered VAT ORs but with incorrect customer details		1,926,500.12	1,926,500.12
P-71	Unsupported zero-rated sales deductions	-8,308,633.37		-8,308,633.37
	Unverified amount	-784.65		-784.65
	TOTAL	**₱ 790,001,169.25**	**₱7,142,149.78**	**₱797,143,319.03**

The Court agrees with the invalidity of the above-stated zero-rated sales. Thus, from the valid zero-rated sales per ICPA findings, the Court examined petitioner's compliance with the above-stated provisions of Section 108(B)(2) and (3) of the NIRC of 1997, as amended.

Petitioner satisfactorily met the *first* and *second* essential elements.

For the subject period of claim, petitioner rendered forwarding services in the Philippines as evidenced by the various *Billing Statements*[74] issued by petitioner to its non-resident foreign customers. Clearly, these services fall within the scope of "*services other than processing, manufacturing or repacking of goods*" contemplated by the afore-mentioned provision.

For the *third* essential element, petitioner submitted *Certifications of Non-Registration of Company* issued by the Securities and Exchange Commission (SEC) and articles of foreign incorporation of its foreign clients.[75] Examination of the subject documents reveals that petitioner failed to submit the articles of foreign incorporation of several NRFCs.

In order to be considered as a non-resident foreign corporation doing business outside the Philippines, each entity must be supported, at the very least, by **both** a *Certification of Non-Registration of Corporation/Partnership* issued by the SEC, **and** proof of incorporation/registration in a foreign country (*e.g.*, Articles/Certificate of Incorporation/Registration and/or Tax Residence Certificate). The Philippine SEC's *Certification of Non-Registration of Corporation/Partnership* establishes that the recipient of the service has no registered business in the Philippines, and that it is not engaged in trade or business within the Philippines, while the certificate/articles of incorporation/association will prove that the said recipient of the service is

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[74] Exhibits "P-58-1 to "P-58-1313, USB (Exhibit "P-133-2").

[75] Exhibits "P-55" to "P-55-55", USB (Exhibit "P-133-2").

indeed foreign. The said documents have been consistently required by this Court, for purposes of the said *third* essential element. In *Commissioner of Internal Revenue vs. Deutsche Knowledge Services Pte. Ltd.*,[76] the Supreme Court affirmed the necessity of presenting the said documents in this wise:

> "**For purposes of zero-rating under Section 108(B)(2) of the Tax Code, the claimant must establish the two components of a client's NRFC status, *viz.*: (1) that their client was established under the laws of a country not the Philippines or, simply, is not a domestic corporation; and (2) that it is not engaged in trade or business in the Philippines. To be sure, there must be sufficient proof of both of these components: showing not only that the clients are foreign corporations, but also are not doing business in the Philippines.**
>
> xxx xxx xxx
>
> To recall, the CTA found that the SEC Certification of Non-Registration of Company and Authenticated Articles of Association and/or Certificates of Registration/Good Standing/Incorporation sufficiently established the NRFC status of 11 of DKS's affiliates clients.
>
> The Court upholds these findings.
>
> The Court accords the CTA's factual findings with utmost respect, if not finality, because the Court recognizes that it has necessarily developed an expertise on tax matters. Significantly, both the CTA Division and CTA *En Banc* gave credence to the aforementioned documents as sufficient proof of NRFC status. The Court shall not disturb its findings without any showing of grave abuse of discretion considering that the members of the tax court are in the best position to analyze the documents presented by the parties.
>
> In any case, after a judicious review of the records, the Court still do not find any reason to deviate from the court *a quo*'s findings. **To the Court's mind, the SEC Certifications of Non-Registration show that these affiliates are foreign corporations. On the other hand, the articles of association/certificates of incorporation stating that these affiliates are registered to operate in their respective home**

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[76] G.R. No. 234445, July 15, 2020.

countries, outside the Philippines are *prima facie* evidence that their clients are not engaged in trade or business in the Philippines." *(Emphases added)*

Hence, petitioner's sales to NRFCs without SEC Certification of Non-Registration and foreign certificates/articles of incorporation/association shall be disallowed from the declared zero-rated sales.

Examination of petitioner's schedule of zero-rated sales shows that the total amount of ₱90,429,669.59 pertains to sales to entities without certifications from PEZA, BOI, CDC, SBMA, FAB, ADB, the Consular Office of Japan/Embassy of Japan, and PAGCOR, and sales to NRFCs without SEC Certificates of Non-Registration and/or foreign certificates/articles of incorporation/association:

Exhibit No.	Customer	Amount
P-60-10	ACCUFORM INC	₱ 6,534.06
P-60-255	AIKAWA PHILIPPINES INC	4,025.00
P-60-416	AJATO CO LTD	20,500.00
P-60-1023	ALMEX TECH INC	27,137.40
P-60-885	ALMEX TECH INC	29,500.36
P-60-1180	ALMEX TECHNOLOGIES PHILIPPINES INC	73,934.79
P-60-1024	AN CORPORATION	55,250.26
P-60-1181	AN CORPORATION	40,948.17
P-60-886	AN CORPORATION	50,607.84
P-60-450	AN CORPORATION	6,630.55
P-60-724	AN CORPORATION	18,546.56
P-60-833	AN CORPORATION	14,506.88
P-60-469	ASIAN DEVELOPMENT BANK	60,000.00
P-60-818	ASIAN DEVELOPMENT BANK	16,200.00
P-60-1028	AXENT WOOD CORPORATION	599.31
P-60-1184	AXENT WOOD CORPORATION	2,096.41
P-60-142	BIONORMILZER NUTRACEUTICAL CORP	5,920.92
P-60-1325	CANON INC	2,483.91
P-60-473	CANON INC	55,358.13
P-60-1032	CASIO COMPUTER CO LTD	134,332.53
P-60-1188	CASIO COMPUTER CO LTD	20,347.20
P-60-891	CASIO COMPUTER CO LTD	70,030.18
P-60-800	CASIO COMPUTER CO LTD	47,080.87
P-60-1033	CASTEM PHILIPPINE CORPORATION	2,071.24
P-60-1189	CASTEM PHILIPPINE CORPORATION	371.48
P-60-892	CASTEM PHILIPPINE CORPORATION	2,166.57
P-60-342	CASTEM PHILIPPINE CORPORATION	12,160.66
P-60-794	CASTEM PHILIPPINE CORPORATION	24,461.29
P-60-3	CEBU LOGITEM INC	63,230.00
P-60-42	CEBU LOGITEM INC	80,150.00
P-60-94	CEBU LOGITEM INC	68,230.00

P-60-895	CENAPRO CHEMICAL CORPORATION	2,149.49
P-60-13	CENAPRO CHEMICAL CORPORATION	31,645.67
P-60-486	CHANGHONG TECHNOLOGY PHL CORP	38,500.00
P-60-582	CHIYODA INTEGRE PHILS CORP	5,321.80
P-60-713	CHIYODA INTEGRE PHILS CORP	26,593.60
P-60-359	CITIZEN SYSTEMS JAPAN CO LTD	118,700.00
P-60-572	CITIZEN SYSTEMS JAPAN CO LTD	121,145.00
P-60-789	CITIZEN SYSTEMS JAPAN CO LTD	35,049.25
P-60-421	CJ LOGISTICS CORPORATION	457.76
P-60-307	CONCENTRIX CVG PHILIPPINES INC	102,750.00
P-60-308	CONCENTRIX CVG PHILIPPINES INC	56,100.00
P-60-441	CONCENTRIX CVG PHILIPPINES INC	23,000.00
P-60-690	CONCENTRIX CVG PHILIPPINES INC	800.00
P-60-385	CRESTEC PHILIPPINES INC	1,400.00
P-60-730	CRESTEC PHILS INC	1,689.19
P-60-899	CRESTEC PHILS INC	3.10
P-60-750	CRESTEC PHILS INC CO KOUFU PACKAGING CORP	1,453.50
P-60-1338	DAIWA SEIKO PHILS CORP	51,187.88
P-60-104	DUCKIL KOREA INCORPORATED	3,450.00
P-60-8	DUCKIL KOREA INCORPORATED	3,450.00
P-60-80	DUCKIL KOREA INCORPORATED	3,450.00
P-60-586	ELEMATEC ANGELES INC	7,627.94
P-60-594	ELEMATEC ANGELES INC	47,500.00
P-60-714	ELEMATEC ANGELES INC	46,100.00
P-60-715	ELEMATEC ANGELES INC	10,150.13
P-60-393	ELEMATEC ANGELES INC	18,300.00
P-60-906	F2 GLOBAL LOGISTICS PHILS INC	170,258.71
P-60-1049	FREITAN GLOBAL LOGISTICS SP	1,832.52
P-60-1203	FREITAN GLOBAL LOGISTICS SP	6,231.30
P-60-908	FREITAN GLOBAL LOGISTICS SP	5,321.51
P-60-403	FRP JHK CORP	81,916.00
P-60-568	FRP JHK CORP	68,919.00
P-60-863	FRP JHK CORP	113,242.00
P-60-1050	FRP JHK CORPORATION	2,755.89
P-60-909	FRP JHK CORPORATION	3,053.92
P-60-735	FUJI PLASTIC INDUSTRY PHILS INC	10,255.35
P-60-913	FUJIFILM PHILIPPINES INC	8,343.74
P-60-583	GF MICRO OPTICS PHILS INC	4,100.00
P-60-1056	GOJI INDUSTRY PHILS CORP	1,083.00
P-60-127	GOJI INDUSTRY PHILS CORP	5,843.64
P-60-415	GOOD CENTURY PHILIPPINES INC	373,684.85
P-60-790	GOOD CENTURY PHILIPPINES INC	616,715.70
P-60-801	GOOD CENTURY PHILIPPINES INC	360,693.49
P-60-1359	HANSA CREATION INCHANSA BLDG	7,500.00
P-60-407	HAYAKAWA COMPONENT TECH INC	26,800.00
P-60-564	HAYAKAWA COMPONENT TECH INC	12,400.00
P-60-811	HAYAKAWA COMPONENT TECH INC	26,100.00
P-60-680	HIBLOW PHILIPPINES INC	4,500.00
P-60-1061	HRD SINGAPORE PTE LTD	5,030.75
P-60-530	HRD SINGAPORE PTE LTD	3,335.97

P-60-1062	INSULAR BOTANICALS INTL INC	1,538.76
P-60-9	INTEGRATED FLOW SYSTEMS IFS	49,300.00
P-60-147	IWATANI PHILIPPINES INC	24,750.00
P-60-487	IWATANI PHILIPPINES INC	64,250.00
P-60-488	IWATANI PHILIPPINES INC	7,148.84
P-60-414	KAIFA TECHNOLOGY PHILIPPINES INC	1,000.00
P-60-459	KANEPACKAGE PHILIPPINE INC	5,089.35
P-60-765	KANEPACKAGE PHILIPPINE INC	5,053.65
P-60-437	KKM WORKSINC	4,100.00
P-60-763	KKM WORKSINC	4,100.00
P-60-783	KODO PHILIPPINES INC	3,700.00
P-60-314	KORYO SUBIC INC	4,396.91
P-60-709	KORYO SUBIC INC	22,795.11
P-60-751	KORYO SUBIC INC	7,746.40
P-60-189	LINTEC PHILIPPINES PEZA INC	23,500.00
P-60-52	MACTAN APPARELS INCORPORATED	3,000.00
P-60-57	MACTAN APPARELS INCORPORATED	3,000.00
P-60-95	MACTAN APPARELS INCORPORATED	3,000.00
P-60-98	MACTAN APPARELS INCORPORATED	3,000.00
P-60-54	MARKET GLOBAL CEBU INDUSTRIES INC	3,685.00
P-60-55	MARKET GLOBAL CEBU INDUSTRIES INC	3,630.00
P-60-418	MATSUI MFG S PTE LTD	19,687.67
P-60-332	MEKTEC CORPORATION SIN PTE LTD	13,123.80
P-60-826	MEKTEC CORPORATION SIN PTE LTD	55,878.76
P-60-1229	MITSUBISHI MOTORS PHILS CORP	1,591.32
P-60-936	MITSUBISHI MOTORS PHILS CORP	10,136.21
P-60-664	MITSUBISHI MOTORS PHILS CORP	18,000.00
P-60-1080	MITSUMI ELECTRIC CO LTD	38,563.69
P-60-1230	MITSUMI ELECTRIC CO LTD	1,130,613.43
P-60-937	MITSUMI ELECTRIC CO LTD	588,368.63
P-60-1081	MITSUMI PHILIPPINES INC	265,650.55
P-60-1231	MITSUMI PHILIPPINES INC	55,746.49
P-60-938	MITSUMI PHILIPPINES INC	80,544.77
P-60-607	MITSUMI PHILIPPINES INC	271,283.10
P-60-718	MITSUMI PHILIPPINES INC	130,192.27
P-60-766	MITSUMI PHILIPPINES INC	1,015,792.48
P-60-939	MOBILIA PRODUCTS INC	829.52
P-60-1082	MR YUKI SHINOHARA	182.99
P-60-1233	MR YUKI SHINOHARA	177,848.25
P-60-1234	MS. SACHIKO OHSAKI	2,838.54
P-60-1084	NAIGAI GOMU PHILIPPINES CORP	9,370.04
P-60-1237	NAIGAI GOMU PHILIPPINES CORP	20,404.12
P-60-230	NAIGAI GOMU PHILIPPINES CORP	31,166.00
P-60-231	NAIGAI GOMU PHILIPPINES CORP	31,157.60
P-60-232	NAIGAI GOMU PHILIPPINES CORP	31,178.60
P-60-521	NAIGAI GOMU PHILIPPINES CORP	31,115.60
P-60-526	NANOX PHILIPPINES INC	2,621,896.15
P-60-1087	NBC PHILIPPINES CAR TECH CORP	40,081.80
P-60-1240	NBC PHILIPPINES CAR TECH CORP	14,826.53
P-60-422	NBC PHILS CAR TECHNOLOGY	18,866.70
P-60-1089	NEPC ORD	26,390.03

P-60-1243	NEPC ORD	50,542.16
P-60-944	NEPC ORD	204,183.78
P-60-1244	NICERA PHILIPPINES INC	210,605.57
P-60-945	NICERA PHILIPPINES INC	41,411.14
P-60-322	NICERA PHILIPPINES INC	96,742.62
P-60-399	NICERA PHILIPPINES INC	85,314.92
P-60-476	NICERA PHILIPPINES INC	33,313.93
P-60-576	NICERA PHILIPPINES INC	13,377.37
P-60-717	NICERA PHILIPPINES INC	9,991.60
P-60-773	NICERA PHILIPPINES INC	16,374.20
P-60-840	NIDEC SUBIC PHILS CORP	57,096.41
P-60-1092	NIDEC SUBIC PHILS CORP	20,838.87
P-60-1247	NIDEC SUBIC PHILS CORP	183,957.49
P-60-947	NIDEC SUBIC PHILS CORP	5,775.88
P-60-439	NIDEC SUBIC PHILS CORP	37,250.00
P-60-742	NIDEC SUBIC PHILS CORP	48,059.75
P-60-1093	NIHON GARTER PHILIPPINES INC	17,825.81
P-60-1248	NIHON GARTER PHILIPPINES INC	68,933.31
P-60-948	NIHON GARTER PHILIPPINES INC	4,825.59
P-60-657	NIHON GARTER PHILIPPINES INC	5,392.11
P-60-1323	NIPPON EXPRESS BANGLADESH LTD	31,278.40
P-60-1096	NIPPON EXPRESS BELGIUM NV	1,311,351.45
P-60-1252	NIPPON EXPRESS BELGIUM NV	612,007.24
P-60-1098	NIPPON EXPRESS CANADA LTD	537,199.41
P-60-952	NIPPON EXPRESS CANADA LTD	330,633.74
P-60-875	NIPPON EXPRESS CANADA LTD	103,616.60
P-60-1173	NIPPON EXPRESS CANADA LTD	203,580.87
P-60-1088	NIPPON EXPRESS CHINACO LTD QINGDAO BR	4,219.38
P-60-1241	NIPPON EXPRESS CHINACO LTD QINGDAO BR	7,553.96
P-60-942	NIPPON EXPRESS CHINACO LTD QINGDAO BR	16,975.69
P-60-1101	NIPPON EXPRESS CO LTD AIR FRE	35,746.87
P-60-1255	NIPPON EXPRESS CO LTD AIR FRE	63,116.26
P-60-955	NIPPON EXPRESS CO LTD AIR FRE	65,747.17
P-60-956	NIPPON EXPRESS CO LTD KOBE	2,738.39
P-60-1103	NIPPON EXPRESS DE MEXICO SA DE CV	947,176.81
P-60-1256	NIPPON EXPRESS DE MEXICO SA DE CV	347,260.96
P-60-958	NIPPON EXPRESS DE MEXICO SA DE CV	443,820.07
P-60-1105	NIPPON EXPRESS DO BRASIL LTDA	4,424.44
P-60-1258	NIPPON EXPRESS DO BRASIL LTDA	8,770.59
P-60-960	NIPPON EXPRESS DO BRASIL LTDA	6,810.83
P-60-1259	NIPPON EXPRESS FRANCE MOROCCO	1,056,502.13
P-60-961	NIPPON EXPRESS FRANCE MOROCCO	100,961.25
P-60-1176	NIPPON EXPRESS GLOBAL LOGISTICS SHANGHAI CO LTD	74,663.85
P-60-880	NIPPON EXPRESS GLOBAL LOGISTICS SHANGHAI CO LTD	155,597.59
P-60-1356	NIPPON EXPRESS GUANGZHOU CO LTD	686,773.37
P-60-1107	NIPPON EXPRESS INDIA PRIVATE	458,410.29

P-60-1261	NIPPON EXPRESS INDIA PRIVATE	723,775.73
P-60-963	NIPPON EXPRESS INDIA PRIVATE	1,086,853.41
P-60-964	NIPPON EXPRESS ISTANBUL GLOBAL	121,916.88
P-60-1322	NIPPON EXPRESS ISTANBUL GLOBAL	46,366.96
P-60-1361	NIPPON EXPRESS ISTANBUL GLOBAL	470,417.14
P-60-1110	NIPPON EXPRESS NEC LOGISTICS	369,209.93
P-60-1264	NIPPON EXPRESS NEC LOGISTICS	206,670.33
P-60-966	NIPPON EXPRESS NEC LOGISTICS	593,946.26
P-60-1111	NIPPON EXPRESS NEDERLAND BV	4,421,865.78
P-60-1265	NIPPON EXPRESS NEDERLAND BV	4,006,025.18
P-60-967	NIPPON EXPRESS NEDERLAND BV	4,099,760.48
P-60-1112	NIPPON EXPRESS PHILIPPINES CORP	42,756.80
P-60-1266	NIPPON EXPRESS PHILIPPINES CORP	133.44
P-60-1267	NIPPON EXPRESS SCHWEIZAG	5,017.19
P-60-968	NIPPON EXPRESS SCHWEIZAG	2,988.40
P-60-1169	NIPPON EXPRESS SHANGHAI CO LTD	166,038.84
P-60-969	NIPPON EXPRESS SHANGHAI CO LTD	231.32
P-60-970	NIPPON EXPRESS SHENZHEN CO LTD	1,705.00
P-60-1117	NIPPON MICROMETAL CORP PHILS	11,536.96
P-60-1275	NIPPON MICROMETAL CORP PHILS	30,751.32
P-60-321	NIPPON MICROMETAL CORP PHILS	81,473.49
P-60-345	NIPPON MICROMETAL CORP PHILS	23,500.00
P-60-431	NIPPON MICROMETAL CORP PHILS	86,158.77
P-60-590	NIPPON MICROMETAL CORP PHILS	52,474.75
P-60-696	NIPPON MICROMETAL CORP PHILS	41,760.00
P-60-712	NIPPON MICROMETAL CORP PHILS	65,145.10
P-60-795	NIPPON MICROMETAL CORP PHILS	63,060.00
P-60-1353	NIPPON SUPER PRECISION PHILS CORP	81,000.00
P-60-641	NIPPON SUPER PRECISION PHILS CORP	47,000.00
P-60-1170	NITTSU LOGISTICS THAILAND CO LTD	1,728,006.89
P-60-1119	NITTSU LOGISTICS THAILAND CO	14,599.75
P-60-1277	NITTSU LOGISTICS THAILAND CO	8,932.52
P-60-977	NITTSU LOGISTICS THAILAND CO	16,797.46
P-60-1177	NITTSU LOGISTICS THAILAND CO LTD	1,491,156.75
P-60-882	NITTSU LOGISTICS THAILAND CO LTD	2,900,972.78
P-60-802	NITTSU NEC LOGISTICS LTD	290,898.40
P-60-978	NKC CONVEYORS PHILS CORP	99.74
P-60-115	NKC CONVEYORS PHILS CORP	65,177.51
P-60-17	NKC CONVEYORS PHILS CORP	221,138.09
P-60-575	NMB MINEBEA THAI LTD	735,429.03
P-60-470	NMBMINEBEA THAI LTD	336,253.99
P-60-1279	NOMURA SECURITIES PHILS	41,275.92
P-60-32	ONNIGI PHILIPPINES INC	47,000.00
P-60-1124	OPTICAL TECHNOLOGY SPECIALISTS	80,080.25
P-60-983	OPTICAL TECHNOLOGY SPECIALISTS	47,276.75
P-60-101	OPTICAL TECHNOLOGY SPECIALISTS	23,267.94
P-60-1336	OPTICAL TECHNOLOGY SPECIALISTS	21,240.49
P-60-46	OPTICAL TECHNOLOGY SPECIALISTS	61,118.36
P-60-711	PANASONIC INDL DEVICES SALES ASIA	37,693.20
P-60-786	PANASONIC INDL DEVICES SALES ASIA	214,820.49
P-60-1126	PANASONIC INDL DEVICES SALES EUROPE	314,564.84

P-60-1284	PANASONIC INDL DEVICES SALES EUROPE	428,375.88
P-60-984	PANASONIC INDL DEVICES SALES EUROPE	380,898.95
P-60-264	PANASONIC INDUSTRIAL DEVICES SALES ASIA	43,706.60
P-60-358	PANASONIC INDUSTRIAL DEVICES SALES ASIA	37,668.54
P-60-689	PANASONIC MFG PHILS CORP	300.00
P-60-49	PHILIPPINE LONG DISTANCE TEL COMPANY	4,939.00
P-60-76	PHILIPPINE LONG DISTANCE TEL COMPANY	4,828.00
P-60-284	PHILIPPINE MATSUDEN INC	11,000.00
P-60-285	PHILIPPINE MATSUDEN INC	12,000.00
P-60-686	PHILIPPINE MATSUDEN INC	11,000.00
P-60-687	PHILIPPINE MATSUDEN INC	11,000.00
P-60-263	PHILIPPINE SANYU CORPORATION	4,097.62
P-60-734	PHILIPPINE SANYU CORPORATION	3,700.00
P-60-490	PILIPINAS KYOHRITSU INC	32,193.00
P-60-1347	PISHON CLARK PHILIPPINES INC	20,353.45
P-60-137	PISHON CLARK PHILIPPINES INC	20,841.95
P-60-138	PISHON CLARK PHILIPPINES INC	17,495.85
P-60-140	PISHON CLARK PHILIPPINES INC	44,966.00
P-60-1289	PMFTC INC	396,718.74
P-60-991	PT NIPPON EXPRESS INDONESIA	175,139.87
P-60-1171	PT NIPPON EXPRESS INDONESIA	144,733.96
P-60-1178	PT NIPPON EXPRESS INDONESIA	416,475.68
P-60-883	PT NIPPON EXPRESS INDONESIA	31,313.71
P-60-199	RAMCAR TECHNOLOGY INC	49,288.26
P-60-663	RAMCAR TECHNOLOGY INC	22,514.86
P-60-669	RAMCAR TECHNOLOGY INC	139,999.76
P-60-135	SAMBON P AND E PHILS CORP	232,278.00
P-60-139	SAMBON PANDE PHILS CORP	27,413.00
P-60-220	SANKO GOSEI PHILIPPINES INC	209,110.40
P-60-1140	SANYO DENKI PHILIPPINES INC	39,785.85
P-60-554	SANYO DENKI PHILIPPINES INC	102,481.88
P-60-559	SANYO DENKI PHILIPPINES INC	145,570.00
P-60-700	SANYO DENKI PHILIPPINES INC	208,668.16
P-60-796	SANYO DENKI PHILIPPINES INC	39,896.40
P-60-797	SANYO DENKI PHILIPPINES INC	26,598.36
P-60-798	SANYO DENKI PHILIPPINES INC	92,113.15
P-60-804	SANYO DENKI PHILIPPINES INC	333,022.82
P-60-343	SANYO DENKI PHILS INC	11,005.86
P-60-344	SANYO DENKI PHILS INC	11,919.16
P-60-347	SANYO DENKI PHILS INC	10,657.00
P-60-1142	SCHLEMMER PHILIPPINES INC	797,724.03
P-60-1298	SCHLEMMER PHILIPPINES INC	9,402.27
P-60-999	SCHLEMMER PHILIPPINES INC	102,875.07
P-60-784	SCHLEMMER PHILIPPINES INC	96,107.22
P-60-731	SERCOMM PHILIPPINES INC	5,826.00
P-60-1000	SEWING LIVE MACTAN CEBU INC	8,393.15
P-60-1144	SEWING LIVE MACTAN CEBU INC	434.53

P-60-14	SEWING LIVE MACTAN CEBU INC	10,420.00
P-60-2	SEWING LIVE MACTAN CEBU INC	13,483.56
P-60-48	SEWING LIVE MACTAN CEBU INC	3,851.99
P-60-65	SEWING LIVE MACTAN CEBU INC	4,991.50
P-60-47	SMART COMMUNICATIONSINC	4,845.00
P-60-1149	SMK ELECTRONICS PHILS CORP	91,732.67
P-60-316	SMK ELECTRONICS PHILS CORP	9,726.00
P-60-396	SMK ELECTRONICS PHILS CORP	30,654.58
P-60-397	SMK ELECTRONICS PHILS CORP	163,154.75
P-60-579	SMK ELECTRONICS PHILS CORP	73,238.00
P-60-585	SMK ELECTRONICS PHILS CORP	34,469.90
P-60-771	SMK ELECTRONICS PHILS CORP	136,070.00
P-60-772	SMK ELECTRONICS PHILS CORP	47,258.67
P-60-1003	SOUHATSU CEBU MFG INC	13,012.72
P-60-1303	SOUHATSU CEBU MFG INC	19,734.45
P-60-84	SOUHATSU CEBU MFG INC	41,307.76
P-60-419	STEPAN PHILIPPINES	70,039.07
P-60-723	STMICROELECTRONICS PTE LTD	50,077.91
P-60-1150	SUMINAC PHILIPPINES INC	494.40
P-60-279	SUMINAC PHILIPPINES INC	19,184.00
P-60-682	SUMINAC PHILIPPINES INC	38,571.75
P-60-187	SUNMEC CORPORATION	96,025.71
P-60-62	SURFACE TECHNOLOGY INTL PHILS	1,600.00
P-60-1005	TAKETORA PHILIPPINES INC	3,879.50
P-60-1152	TAKETORA PHILIPPINES INC	4,133.84
P-60-20	TAMIYA CHUO PHILIPPINES INC	20,730.00
P-60-21	TAMIYA CHUO PHILIPPINES INC	28,730.00
P-60-93	TAMIYA CHUO PHILIPPINES INC	27,730.00
P-60-1007	TEIJIN FRONTIER CO LTD	1,029.86
P-60-1154	TEIJIN FRONTIER CO LTD	2,183.66
P-60-420	TEIJIN FRONTIER CO LTD	113,620.96
P-60-695	TEIJIN FRONTIER CO LTD	45,541.60
P-60-235	TESCOM PHILIPPINES INC	11,500.00
P-60-236	TESCOM PHILIPPINES INC	11,500.00
P-60-237	TESCOM PHILIPPINES INC	12,500.00
P-60-238	TESCOM PHILIPPINES INC	14,500.00
P-60-513	TESCOM PHILIPPINES INC	19,750.00
P-60-391	TEXAS INSTRUMENTS INC	1,400.00
P-60-1156	THE JAPAN FOUNDATION MANILA	6,690.64
P-60-125	TIMEX PHILIPPINES INC	3,000.00
P-60-51	TIMEX PHILIPPINES INC	3,000.00
P-60-183	TMP LOGISTICS INC	7,196.54
P-60-1010	TOKAI ENGEI CO LTD	25,069.57
P-60-1157	TOKAI ENGEI CO LTD	15,450.94
P-60-1308	TOKAI ENGEI CO LTD	10,710.95
P-60-754	TOKAI ENGEI CO LTD	10,288.44
P-60-448	TOKAI ENGEI COLTD	9,250.78
P-60-1011	TOKAI PRECISION PHILIPPINES INC	19.80
P-60-1158	TOKAI PRECISION PHILIPPINES INC	248.81
P-60-1012	TOSHIBA LOGISTICS JAPAN	136,303.98
P-60-1159	TOSHIBA LOGISTICS JAPAN	773,154.95

P-60-1310	TOSHIBA LOGISTICS JAPAN	719,974.70
P-60-471	TOSHIBA LOGISTICS JAPAN	475,582.06
P-60-694	TOSHIBA LOGISTICS JAPAN	53,239.72
P-60-817	TOSHIBA LOGISTICS JAPAN	200,204.53
P-60-1162	TRENDY PLASTIC MFG INC	38,291.71
P-60-460	TRENDY PLASTIC MFG INC	73,187.05
P-60-464	TRENDY PLASTIC MFG INC	66,749.01
P-60-849	TRENDY PLASTIC MFG INC	6,175.92
P-60-867	TRENDY PLASTIC MFG INC	13,929.60
P-60-555	TRENDY PLASTIC MFG INC	61,519.76
P-60-702	TRENDY PLASTIC MFG INC	13,595.00
P-60-703	TRENDY PLASTIC MFG INC	31,583.48
P-60-704	TRENDY PLASTIC MFG INC	33,288.12
P-60-1315	VERTEX ONE APPAREL PHIL SINC	1,369.41
P-60-1019	W HYDROCOLLOIDS INC	55.21
P-60-1316	W HYDROCOLLOIDS INC	2,251.23
P-60-1358	WALLEM INNOVATIVE SOLUTIONS	9,701.00
P-60-136	WALLEM INNOVATIVE SOLUTIONS	21,803.98
P-60-336	WISTRON INFOCOMM PHILS CORP	11,100.00
P-60-440	WISTRON INFOCOMM PHILS CORP	18,500.00
P-60-741	WISTRON INFOCOMM PHILS CORP	7,400.00
P-60-821	WISTRON INFOCOMM PHILS CORP	7,400.00
P-60-31	YASAKA PHIL INTL CORP	43,300.00
P-60-197	YOKOHAMA TIRE PHILIPPINES INC	1,253,000.00
P-60-198	YOKOHAMA TIRE PHILIPPINES INC	253,800.00
P-60-273	YOKOHAMA TIRE PHILIPPINES INC	567,600.00
P-60-370	YOKOHAMA TIRE PHILIPPINES INC	297,500.00
P-60-376	YOKOHAMA TIRE PHILIPPINES INC	1,493,700.00
P-60-430	YOKOHAMA TIRE PHILIPPINES INC	2,435.00
P-60-523	YOKOHAMA TIRE PHILIPPINES INC	87,800.00
P-60-533	YOKOHAMA TIRE PHILIPPINES INC	380,800.00
P-60-661	YOKOHAMA TIRE PHILIPPINES INC	1,740,700.00
P-60-666	YOKOHAMA TIRE PHILIPPINES INC	817,000.00
P-60-426	ZAMA PRECISION INDUSTRY	2,436.54
	TOTAL	**₱ 61,247,368.84**

Exhibit No.	Customer	Amount
P-61-71	ASIAN DEVELOPMENT BANK	₱ 182,307.01
P-61-42	CALCOMP PRECISION PHILIPPINES	1,400.00
P-61-51	CASIO COMPUTER CO LTD	25,532.21
P-61-35	FREITAN GLOBAL LOGISTICS SP	10,225.23
P-61-16	MOBILIA PRODUCTS INC	6,090.75
P-61-25	MOBILIA PRODUCTS INC	13,552.23
P-61-44	NANOX PHILIPPINES INC	2,367,108.17
P-61-66	NIPPON EXPRESS NEC LOGISTIC SINGAPORE PTE LTD PHILS BERANCH	1,053,631.99
P-61-68	PHILSTAR HOSIERY INC	11,736.70
P-61-52	SMK ELECTRONICS PHILS CORP	21,809.00
P-61-13	SOUHATSU CEBU MFG INC	27,293.54
P-61-36	WALLEM INNOVATIVE SOLUTIONS	4,834.00

P-61-43	YOKOHAMA TIRE PHILIPPINES INC	859,200.00
	TOTAL	**₱ 4,584,720.83**

Exhibit No.	Customer	Amount
P-62-187	ACBEL POLYTECH PHILIPPINES INC	₱ 4,196.75
P-62-23	ALLIANCE MANSOLS INC	1,400.00
P-62-489	ALLIANCE MANSOLS INC	1,400.00
P-62-266	ALMEX TECH INC	18,797.92
P-62-205	ALMEXTECH INC	20,746.36
P-62-316	AMERICAN POWER COVERSION CORP	1,400.00
P-62-140	AMKOR TECH PHILS P1P2 INC	1,400.00
P-62-354	AMKOR TECH PHILS P1P2 INC	1,400.00
P-62-355	AMKOR TECH PHILS P1P2 INC	1,400.00
P-62-449	AMKOR TECH PHILS P1P2 INC	1,400.00
P-62-476	AMKOR TECH PHILS P1P2 INC	1,400.00
P-62-477	AMKOR TECH PHILS P1P2 INC	1,400.00
P-62-478	AMKOR TECH PHILS P1P2 INC	1,400.00
P-62-486	AMKOR TECH PHILS P1P2 INC	1,400.00
P-62-59	AMKOR TECH PHILS P1P2 INC	1,400.00
P-62-260	ANDA POWER CORPORATION	3,762.25
P-62-46	APOLLO TRADING AND MFG CORP	4,279.25
P-62-69	ARTESYN EMBEDED TECHNOLOGIES	1,400.00
P-62-253	ASIAN DEVELOPMENT BANK	132,714.45
P-62-115	CRESTEC PHILIPPINES INC	1,400.00
P-62-87	CRESTEC PHILIPPINES INC	1,400.00
P-62-279	CYPRESS SEMICONDUCTOR	1,400.00
P-62-353	CYPRESS SEMICONDUCTOR	1,400.00
P-62-58	CYPRESS SEMICONDUCTOR	1,400.00
P-62-101	DEKOKRAFT INC	3,877.45
P-62-119	DYSON ELECTRONICS PTE LTD	1,400.00
P-62-21	DYSON ELECTRONICS PTE LTD	1,400.00
P-62-248	DYSON ELECTRONICS PTE LTD	1,400.00
P-62-327	DYSON ELECTRONICS PTE LTD	1,400.00
P-62-360	DYSON ELECTRONICS PTE LTD	1,400.00
P-62-361	DYSON ELECTRONICS PTE LTD	1,400.00
P-62-425	DYSON ELECTRONICS PTE LTD	1,400.00
P-62-490	DYSON ELECTRONICS PTE LTD	1,400.00
P-62-338	EATON INDUSTRIES PHILIPPINES	54,090.15
P-62-338	EATON INDUSTRIES PHILIPPINES	129,968.21
P-62-471	ENTEL HK PHILIPPINES	1,400.00
P-62-299	F TECH S AND F PHILIPPINES INC	3,804.50
P-62-84	F TECH S AND F PHILIPPINES INC	3,830.50
P-62-194	FTECH S AND F PHILIPPINES INC	3,817.50
P-62-174	FUJINAME PHILIPPINES INC	5,201.75
P-62-482	GLOBAL MARINE SYSTEMS LIMITED	1,400.00
P-62-100	IM DIGITAL PHIL INC	1,400.00
P-62-168	IM DIGITAL PHIL INC	1,400.00
P-62-31	IM DIGITAL PHIL INC	1,400.00
P-62-37	IM DIGITAL PHIL INC	1,400.00
P-62-38	IM DIGITAL PHIL INC	1,400.00

P-62-44	IM DIGITAL PHIL INC	1,400.00
P-62-448	IM DIGITAL PHIL INC	1,400.00
P-62-45	IM DIGITAL PHIL INC	1,400.00
P-62-457	IM DIGITAL PHIL INC	1,400.00
P-62-53	IM DIGITAL PHIL INC	1,400.00
P-62-64	IM DIGITAL PHIL INC	1,400.00
P-62-65	IM DIGITAL PHIL INC	1,400.00
P-62-73	IM DIGITAL PHIL INC	1,400.00
P-62-75	IM DIGITAL PHIL INC	1,400.00
P-62-76	IM DIGITAL PHIL INC	1,400.00
P-62-77	IM DIGITAL PHIL INC	1,400.00
P-62-78	IM DIGITAL PHIL INC	1,400.00
P-62-99	IM DIGITAL PHIL INC	1,400.00
P-62-192	JT INTERNATIONAL ASIA PHILS INC	1,400.00
P-62-225	LES GANTS PHILIPPINES INC	7,936.89
P-62-88	LES GANTS PHILIPPINES INC	7,217.02
P-62-179	MEKTEC CORPORATION SIN PTE LTD	35,736.24
P-62-405	MITSUBOSHI PHILIPPINES	41,554.27
P-62-81	MITSUMI PHILIPPINES INC	8,101.28
P-62-481	MORIROKU PHILIPPINES INC	1,400.00
P-62-340	NANOX PHILIPPINES INC	2,599,221.51
P-62-221	NEXPERIA PHILIPPINES INC	1,400.00
P-62-83	NEXPERIA PHILIPPINES INC	1,400.00
P-62-289	NEXPERIA PHILIPPINES INC	1,400.00
P-62-469	NIPPON EXPRESS CANADA LTD	36,013.66
P-62-264	NIPPON EXPRESS ITALIA SRL	8,634.64
P-62-416	OPTICAL TECHNOLOGY SPECIALISTS	23,597.63
P-62-149	PANASONIC INDUSTRIAL DEVICES SALES ASIA	41,754.80
P-62-173	PANASONIC INDUSTRIAL DEVICES SALES ASIA	124,825.11
P-62-334	PHIL ADVANCED PROCESSING TECH INC	1,400.00
P-62-80	PHIL AMUSEMENT AND GAMING CORP	3,032.50
P-62-62	PHILIPPINE ADVANCED PROCESSING	1,400.00
P-62-382	PHILIPPINE ADVANCED PROCESSING TECHNOLOGY INC	11,720.93
P-62-123	PHILIPPINE MATSUDEN INC	10,000.00
P-62-255	PHILIPPINE SANYU CORPORATION	4,069.44
P-62-163	PHILS ADVANCED PROCESSING TECHNOLOGY INC	9,642.00
P-62-300	PHILS ADVANCED PROCESSING TECHNOLOGY INC	17,314.44
P-62-488	PHILS ADVANCED PROCESSING TECHNOLOGY INC	3,025.00
P-62-52	PHILS ADVANCED PROCESSING TECHNOLOGY INC	3,032.50
P-62-85	PHILS ADVANCED PROCESSING TECHNOLOGY INC	3,040.00
P-62-262	PHILSTAR HOSIERY INC	53,118.50
P-62-263	PHILSTAR HOSIERY INC	3,282.97
P-62-348	PHILSTAR HOSIERY INC	7,508.63

P-62-349	PHILSTAR HOSIERY INC	4,509.62
P-62-350	PHILSTAR HOSIERY INC	13,073.50
P-62-379	PHILSTAR HOSIERY INC	25,599.00
P-62-380	PHILSTAR HOSIERY INC	10,205.48
P-62-387	PHILSTAR HOSIERY INC	30,662.85
P-62-408	PHILSTAR HOSIERY INC	77,177.50
P-62-438	PHILSTAR HOSIERY INC	4,677.99
P-62-283	PINNACLE SUPPLY CHAIN INC	1,400.00
P-62-351	PINNACLE SUPPLY CHAIN INC	1,400.00
P-62-352	PINNACLE SUPPLY CHAIN INC	1,400.00
P-62-378	PINNACLE SUPPLY CHAIN INC	1,400.00
P-62-470	PINNACLE SUPPLY CHAIN INC	1,400.00
P-62-491	PINNACLE SUPPLY CHAIN INC	1,400.00
P-62-494	PINNACLE SUPPLY CHAIN INC	1,400.00
P-62-304	PONDEROSA LEATHER GOODS COINC	11,189.50
P-62-19	PREMIER KNITTING CORPORATION	3,278.60
P-62-126	RAMCAR TECHNOLOGY INC	20,121.84
P-62-456	RAMCAR TECHNOLOGY INC	40,767.10
P-62-233	SAMPO MOLDING AND ASSEMBLY IND	3,843.50
P-62-107	SAMSUNG SDS GLOBAL SCL PHILIPPINES CO LTD	1,400.00
P-62-108	SAMSUNG SDS GLOBAL SCL PHILIPPINES CO LTD	1,400.00
P-62-26	SAMSUNG SDS GLOBAL SCL PHILIPPINES CO LTD	1,400.00
P-62-169	SAMSUNG SDS GLOBAL SCL PHILIPPINES CO LTD INC	1,400.00
P-62-421	SANKO GOSEI PHILIPPINES INC	3,037.50
P-62-428	SANKO GOSEI PHILIPPINES INC	3,032.50
P-62-472	SANKO GOSEI PHILIPPINESINC	1,400.00
P-62-252	SANYO DENKI PHILIPPINES INC	6,412.10
P-62-188	SATO PHILIPPINES AIDC SOLUTIONS INC	4,492.40
P-62-463	SDE PHILIPPINES CORP	1,400.00
P-62-122	SERCOMM PHILIPPINES INC	5,750.00
P-62-364	SILVERFOILTUBES INTERNATIONAL INC	3,022.50
P-62-151	SMK ELECTRONICS PHILS CORP	54,798.25
P-62-97	SMK ELECTRONICS PHILS CORP	41,713.00
P-62-34	TAIYO PLASTIC CORP OF THE PHIL	186,460.40
P-62-29	TEXAS INSTRUMENTS INC	1,400.00
P-62-93	TEXAS INSTRUMENTS INC	1,400.00
P-62-10	TMP LOGISTICS INC	4,319.73
P-62-11	TMP LOGISTICS INC	2,881.52
P-62-124	TMP LOGISTICS INC	1,436.95
P-62-125	TMP LOGISTICS INC	18,720.84
P-62-273	TMP LOGISTICS INC	6,957.95
P-62-455	TMP LOGISTICS INC	5,743.54
P-62-9	TOKAI ELECTRONICS PHILIPPINES INC	20,413.37
P-62-404	TOMS MANUFACTURING CORP	132,094.60
P-62-98	W HYDRO COLLOIDS INC	16,287.27
P-62-6	WINCESS INC	4,500.00
P-62-433	WU KONG SINGAPORE PTE LTD	8,862.00

P-62-51	WU KONG SINGAPORE PTE LTD	4,886.90
P-62-157	YOKOHAMA TIRE PHILIPPINES INC	2,465.00
P-62-227	YOKOHAMA TIRE PHILIPPINES INC	2,427.50
P-62-298	YOKOHAMA TIRE PHILIPPINES INC	2,417.50
P-62-347	YOKOHAMA TIRE PHILIPPINES INC	8,639.75
P-62-496	YOKOHAMA TIRE PHILIPPINES INC	2,425.00
P-62-79	YOKOHAMA TIRE PHILIPPINES INC	2,432.50
P-62-158	ZAMA PRECISION INDUSTRY	2,427.78
P-62-401	ZAMA PRECISION INDUSTRY	2,425.27
P-62-402	ZAMA PRECISION INDUSTRY	2,425.05
P-62-450	ZAMA PRECISION INDUSTRY	2,538.26
	TOTAL	**₱ 4,359,220.41**

Exhibit No.	Customer	Amount
P-63-3	NIPPON EXPRESS NEC LOGISTIC SINGAPORE PTE LTD PHILS BRANCH	₱ 593,762.73
P-63-10	TOKAI ELECTRONICS PHILSINC	6,435.52
	TOTAL	**₱ 600,198.25**

Exhibit No.	Customer	Amount
P-64-18	CONCENTRIX DAKSH SERVICES PHIL CORP	₱ 2,000.00
P-64-1	CONSULAR OFFICE OF JAPANCEBU	11,440.00
P-64-2	CONSULAR OFFICE OF JAPANCEBU	11,240.00
P-64-20	MITSUMI ELECTRIC CO LTD	513,535.23
P-64-69	MITSUMI ELECTRIC CO LTD	498,796.05
P-64-12	MITSUMI PHILIPPINES INC	423,912.98
P-64-13	MITSUMI PHILIPPINES INC	656,329.12
P-64-28	MITSUMI PHILIPPINES INC	491,208.32
P-64-22	NIPPON EXPRESS DE MEXICO SA DE	667,774.45
P-64-71	NIPPON EXPRESS DE MEXICO SA DE	617,831.53
P-64-70	NIPPON EXPRESS FRANCE MOROCCO	92,069.38
P-64-40	NIPPON EXPRESS FRANCE SA	6,329.40
P-64-61	NIPPON EXPRESS FRANCE SA	4,542.47
P-64-73	NIPPON EXPRESS ISTANBUL GLOBAL	34,915.96
P-64-62	NIPPON EXPRESS ITALIA SRL	14,553.00
P-64-63	NIPPON EXPRESS NEDERLAND BV	1,785,926.98
P-64-64	NIPPON EXPRESS SCHWEIZ AG	4,587.73
P-64-72	NIPPON EXPRESS SHENZHEN CO LTD	26,895.25
P-64-55	SCHLEMMER PHILIPPINES INC	39,392.46
P-64-42	SEWING LIVE MACTAN CEBU INC	12,668.38
	TOTAL	**₱ 5,915,948.69**

Exhibit No.	Customer	Amount
P-70-8	NIPPON EXPRESS NEC LOGISTIC SINGAPORE PTE LTD PHILIPPINE BRANCH	₱ 769,349.90
P-70-7	TOKAI ELECTRONICS PHILIPPINES INC	46,260.87
	TOTAL	**₱ 815,610.77**

Exhibit No.	Customer	Amount
P-72-1	ELEMATEC ANGELES INC	₱ 1,558.16

P-72-19	EMBASSY OF JAPAN	139,104.00
P-72-30	NIPPON EXPRESS BELGIUM NV	977,387.35
P-72-13	NIPPON EXPRESS CHINA CO LTD	2,231,577.94
P-72-44	NIPPON EXPRESS CHINA CO LTD	2,009,363.80
P-72-31	NIPPON EXPRESS CHINA CO LTD	1,904,073.17
P-72-24	NIPPON EXPRESS DE MEXICO SA DE	316,206.42
P-72-41	NIPPON EXPRESS DE MEXICO SA DE	276,620.05
P-72-38	NIPPON EXPRESS DO BRASIL LTD	12,727.02
P-72-6	NIPPON EXPRESS FRANCE SA	2,716.06
P-72-39	NIPPON EXPRESS INDIA PRIVATE	198,816.30
P-72-20	NIPPON EXPRESS INDIA PRIVATE LIMITED	641,492.21
P-72-21	NIPPON EXPRESS INDIA PVT LTD	290,683.51
P-72-7	NIPPON EXPRESS ITALIA SRA	3,101.58
P-72-26	NIPPON EXPRESS NEDERLAND BV	1,632,838.82
P-72-8	NIPPON EXPRESS NEDERLAND BV	1,913,470.00
P-72-9	NIPPON EXPRESS SCHWEIZ	4,487.18
P-72-27	NIPPON EXPRESS SCHWEIZ AG	4,442.84
P-72-22	PANASONIC INDUSTRIAL DEVICES EUROPE	134,600.59
P-72-18	STMICROELECTRONICS INC	139,540.54
P-72-2	STMICROELECTRONICS PTE LTD	24,369.16
P-72-42	TEIJIN FRONTIER CO LTD	47,425.10
	TOTAL	**₱ 12,906,601.80**
	GRAND TOTAL	**₱ 90,429,669.59**

Anent the *fourth* essential element, petitioner submitted to the Court certifications from Mizuho Bank, Ltd., MUFG Bank, Ltd., and RCBC[77] to prove that payment for petitioner's services to its NRFC clients are in acceptable foreign currency and accounted for in accordance with BSP rules.

Examination of the remaining zero-rated sales shows that payments to petitioner's sales to the following NRFCs in the aggregate amount of ₱228,924,808.80 are not in acceptable foreign currency as evidenced by the ORs issued by petitioner which are denominated in Philippine peso (Ph₱), to wit:

EXHIBIT No.	CUSTOMER	AMOUNT
P-60-950	NIPPON EXPRESS AUSTRALIA PTY LIMITED	₱ 82,610.74
P-60-951	NIPPON EXPRESS CAMBODIA CO LTD	618.12
P-60-953	NIPPON EXPRESS CHINA CO LTD	33,125.16
P-60-954	NIPPON EXPRESS CO LTD	61,272,519.48
P-60-957	NIPPON EXPRESS DE ESPANA SA	309,299.79
P-60-959	NIPPON EXPRESS DEUTSCHLAND	8,049,861.35
P-60-962	NIPPON EXPRESS HK CO LTD	2,689,254.42
P-60-965	NIPPON EXPRESS KOREA CO LTD	540,749.40
P-60-971	NIPPON EXPRESS SIN PTE LTD	391,445.15

[77] Exhibits "P-56-1" to "P-56-3", USB (Exhibit "P-133-2").

P-60-972	NIPPON EXPRESS SOUTH ASIA AND OCEANIA PTE LTD	1,334,512.28
P-60-973	NIPPON EXPRESS TAIWAN CO LTD	1,502,370.77
P-60-974	NIPPON EXPRESS THAILAND CO LTD	2,889,483.10
P-60-975	NIPPON EXPRESS VIETNAM CO LTD	476,509.79
P-60-992	PT NITTSU LEMO INDONESIA	13,423.03
P-60-1095	NIPPON EXPRESS AUSTRALIA PTY	1,557,738.34
P-60-1097	NIPPON EXPRESS CAMBODIA CO LTD	0.20
P-60-1099	NIPPON EXPRESS CHINA CO LTD	424,892.20
P-60-1100	NIPPON EXPRESS CO LTD	38,388,686.86
P-60-1102	NIPPON EXPRESS DE ESPANA SA	31,449.84
P-60-1104	NIPPON EXPRESS DEUTSCHLAND	7,503,924.73
P-60-1106	NIPPON EXPRESS HK CO LTD	2,833,261.42
P-60-1108	NIPPON EXPRESS KOREA CO LTD	632,819.42
P-60-1109	NIPPON EXPRESS MALAYSIA SDN	142,397.17
P-60-1113	NIPPON EXPRESS TAIWAN CO LTD	288,406.52
P-60-1114	NIPPON EXPRESS THAILAND CO LTD	6,762,581.04
P-60-1115	NIPPON EXPRESS USA INC	1,748,745.50
P-60-1116	NIPPON EXPRESS VIETNAM CO LTD	399,576.74
P-60-1133	PT NITTSU LEMO INDONESIA	32,594.01
P-60-1251	NIPPON EXPRESS AUSTRALIA PTY	711,078.57
P-60-1253	NIPPON EXPRESS CHINA CO LTD	107,130.31
P-60-1254	NIPPON EXPRESS CO LTD	51,455,045.79
P-60-1257	NIPPON EXPRESS DEUTSCHLAND	9,485,378.08
P-60-1260	NIPPON EXPRESS HK CO LTD	2,677,989.92
P-60-1262	NIPPON EXPRESS KOREA CO LTD	1,064,117.90
P-60-1263	NIPPON EXPRESS MALAYSIA SDN	132,278.58
P-60-1268	NIPPON EXPRESS SIN PTE LTD	1,016,485.00
P-60-1269	NIPPON EXPRESS SOUTH ASIA AND OCEANIA PTE LTD	1,696,953.09
P-60-1270	NIPPON EXPRESS TAIWAN CO LTD	2,541,388.42
P-60-1271	NIPPON EXPRESS THAILAND CO LTD	8,333,400.96
P-60-1272	NIPPON EXPRESS UK LTD	132,272.14
P-60-1273	NIPPON EXPRESS USA INC	8,772,230.25
P-60-1274	NIPPON EXPRESS VIETNAM CO LTD	462,117.53
P-60-1290	PT NITTSU LEMO INDONESIA	4,085.69
	TOTAL	**₱228,924,808.80**

The rest of petitioner's sales to NRFCs are traced to the certifications of inward remittances submitted, and upon review thereof, the Court found the following:

1. A sale to Panasonic Industrial Devices Sales (M) SDN BHD in the amount of $109.28[78] was allegedly remitted through RCBC on December 1, 2020 with Bank Credit Memo No. S01227725,

[78] Exhibit "P-60-845", USB (Exhibit "P-133-2").

but the said reference cannot be found in the RCBC Certification dated April 12, 2022;[79]

2. There are discrepancies in the amount remitted and the amount per OR for sales to Rohm Semiconductor Singapore Pte Ltd without reconciliation or accounting for the difference:

OR Exhibit No.	OR Amount (US$)	MUFG Bank Certificate of Inward Remittance (Exhibit "P-56-2")		Difference (US$)
		Reference No.	**Remittance Amount (US$)**	
P-60-628	389.87	697TTP24396300	464.05	74.18
P-60-1326	214.68	697TTP24522200	255.00	40.32
P-60-472	544.61	697TTP24263100	650.57	105.96

3. Payment for several sales to NRFCs were allegedly remitted but all came from the same remitter (Nippon Express Co. Ltd.) per bank certifications:

Exhibit No.	Customer	Sales	
P-56-2	*MUFG Bank, Ltd. - Ref. No. 697TTP24242700*		
P-60-874	Nippon Express Australia	$ 5,485.79	₱ 269,790.21
P-60-881	Nippon Express Korea	2,601.39	127,176.28
P-60-1174	Nippon Express M SDN BHD	10,773.73	529,264.94
P-60-876	Nippon Express MALAYSIA SDN BHD	5,066.78	252,033.90
P-60-877	Nippon Express South Asia and Oceania	35,170.53	5,785,984.91
P-60-878	Nippon Express Thai Co Ltd	7,738.24	378,854.80
P-60-879	Nippon Express Vietnam Co	11,156.25	554,295.99
P-60-884	PT NITTSU LEMO INDONESIA	82.11	4,060.84
P-64-21	Nippon Express Co. Ltd.	234,525.39	11,613,441.18
P-72-14	NIPPON EXPRESS HK COMPANY LIMITED	32,469.27	1,597,011.82
P-72-15	NIPPON EXPRESS SIN PTE LTD	32,946.84	1,639,772.32
P-72-16	NIPPON EXPRESS TAIWAN CORP	29,547.28	1,445,733.55
P-72-17	NIPPON EXPRESS USA INC	64,008.79	3,131,140.56
	Sub-Total	**$ 471,572.39**	**₱ 27,328,561.30**
P-56-2	*MUFG Bank, Ltd. - Ref. No. 697TTP24368900*		
P-60-1167	Nippon Express South Asia and Oceania	$ 25,652.00	₱ 1,251,604.40
P-60-1168	Nippon Express Vietnam Co	24,842.70	1,234,199.39
P-60-1172	PT NITTSU LEMO INDONESIA	31.31	1,533.49
P-62-468	Nippon Express Australia Pty	3,996.62	194,852.85
P-64-41	NIPPON EXPRESS M SDN BHD	7,792.37	382,927.48
P-72-37	NIPPON EXPRESS CO LTD	391,882.97	19,293,512.53

[79] Exhibit "P-56-3", USB (Exhibit "P-133-2").

P-72-32	NIPPON EXPRESS HK CO LTD	39,224.65	1,915,495.68
P-72-35	NIPPON EXPRESS KOREA CO LTD	3,751.55	182,211.48
P-72-51	NIPPON EXPRESS SIN PTE LTD	36,867.87	1,807,540.52
P-72-33	NIPPON EXPRESS TAIWAN CO LTD	28,798.07	1,399,469.52
P-72-34	NIPPON EXPRESS THAI CO LTD	12,019.64	583,802.36
P-72-36	NIPPON EXPRESS USA INC	115,374.30	5,608,727.42
	Sub-Total	**$ 690,234.05**	**₱ 33,855,877.12**
P-56-2	*MUFG Bank, Ltd. - Ref. No. 977TTP244947000*		
P-60-1175	Nippon Express South Asia and Oceania	$ 21,034.00	₱ 1,022,890.90
P-60-1179	PT NITTSU LEMO INDONESIA	43.22	2,110.92
P-64-66	Nippon Express Australia Pty	2,308.09	111,970.97
P-64-67	NIPPON EXPRESS SIN PTE LTD	8,536.87	417,996.23
P-64-68	NIPPON EXPRESS USA INC	78,962.22	3,835,535.71
P-72-50	Nippon Express Co. Ltd.	332,539.87	16,213,148.68
P-72-45	NIPPON EXPRESS HK CO LTD	42,110.67	2,054,186.31
P-72-49	NIPPON EXPRESS KOREA CO LTD	3,360.14	163,043.75
P-72-46	NIPPON EXPRESS TAIWAN CO LTD	30,572.39	1,483,904.60
P-72-47	NIPPON EXPRESS THAI CO LTD	21,085.35	1,022,822.05
P-72-48	NIPPON EXPRESS VIETNAM CO	18,343.23	900,415.93
	Sub-Total	**$ 558,896.05**	**₱ 27,228,026.05**
P-56-2	*MUFG Bank, Ltd. - Ref. No. 697TTP24365500*		
P-61-70	Nippon Express Co. Ltd.	$ 325,359.51	₱ 15,818,026.99
	Sub-Total	**$ 325,359.51**	**₱ 15,818,026.99**
P-56-2	*MUFG Bank, Ltd. - Ref. No. 697TTP24494800*		
P-64-60	NIPPON EXPRESS DEUTSCHLAND	$ 32,960.75	₱ 1,599,768.84
P-64-65	NIPPON EXPRESS UK LTD	1,758.33	85,414.64
P-72-43	NIPPON EXPRESS DE ESPANA SA	1,954.74	96,116.25
	Sub-Total	**$ 36,673.82**	**₱ 1,781,299.73**
P-56-1	*Mizuho Bank, Ltd. - Ref. No. ITT789100321*		
P-72-4	NIPPON EXPRESS CO LTD	$ 31,390.30	₱ 1,589,638.19
	Sub-Total	**$ 31,390.30**	**₱ 1,589,638.19**
P-56-1	*Mizuho Bank, Ltd. - Ref. No. ITT789110305*		
P-72-23	NIPPON EXPRESS CO LTD	$ 25,562.86	₱ 1,244,874.27
	Sub-Total	**$ 25,562.86**	**₱ 1,244,874.27**
P-56-2	*MUFG Bank, Ltd. - Ref. No. 697TTP24242800*		
P-72-11	NIPPON EXPRESS DE ESPANA	$ 1,293.97	₱ 65,059.16
P-72-5	NIPPON EXPRESS DEUTSCHLAND GMBH	26,825.36	1,310,619.01

P-72-10	NIPPON EXPRESS UK LTD	1,535.37	75,130.78
P-72-12	NV NIPPON EXPRESS	22,189.46	1,096,170.48
	Sub-Total	**$ 51,844.16**	**₱ 2,546,979.43**
P-56-2	*MUFG Bank, Ltd. - Ref. No. 697TTP24369000*		
P-72-29	NIPPON EXPRESS DE ESPANA	$ 760.94	₱ 37,960.03
P-72-25	NIPPON EXPRESS DEUTSCHLAND	40,749.86	1,978,923.70
P-72-28	NIPPON EXPRESS UK LTD	845.31	41,104.79
	Sub-Total	**$ 42,356.11**	**₱ 2,057,988.52**
	TOTAL	**$ 2,233,889.25**	**₱113,451,271.60**

The Court notes that petitioner or the ICPA did not provide a breakdown and corresponding ORs of the remittances received by petitioner.

However, upon further examination by the Court of the ORs supporting petitioner's zero-rated sales (including the previously-mentioned foreign currency denominated sales to NRFCs), several zero-rated sales are disallowed due to failure to indicate the nature of services provided, which is in violation of the invoicing requirements pursuant to previously quoted Section 113(B)(3) of the NIRC of 1997, as amended.

Further, scrutiny of the ORs issued by petitioner shows that the space in the document intended for the nature of the service provided is either:

a) blank;
b) indicates "services for the month of…" only;
c) indicates "various invoices" but the invoice numbers are not specified; or
d) indicates the invoice number(s), but the attached invoice(s) do not match, or no invoice is attached at all.

Thus, the total amount of ₱390,715,825.75 should be disallowed, broken down as follows:

Exhibit No.	Customer	Amount
P-60-1	MURAMOTO AUDIOVISUAL PHILS IHC	₱ 214,320.95
P-60-4	PILIPINAS KAO INC	3,000.00
P-60-6	PHILIPPINE MAKOTO CORPORATION	17,180.95
P-60-7	NKC MFG PHILS CORP	93,642.98
P-60-11	MAKOTO METAL TECHNOLOGY INC	26,044.44
P-60-12	FUNAI ELECTRIC CEBU INC	94,660.06
P-60-18	PHILIPPINE IINO CO	47,808.34
P-60-19	CEBU MITSUMI INC	1,976,812.90
P-60-22	TAIYO YUDEN PHILIPPINES INC	609,911.32
P-60-25	QUEST DENTAL MATERIAL CORP	177,020.56

P-60-26	ATOMED CEBU INC	84,405.70
P-60-27	PHILIPPINE KENKO CORPORATION	119,076.33
P-60-29	MATLUSTER CORPORATION	21,596.92
P-60-30	YAMASHIN CEBU FILTER MFG CORP	490,945.74
P-60-33	TAIYO YUDEN PHILIPPINES INC	598,275.46
P-60-34	MSM CEBU INC	203,593.99
P-60-36	INA MICRO OPTO CORPORATION	21,211.73
P-60-37	TAIYO YUDEN PHILIPPINES INC	320,674.31
P-60-38	CEBU IWAKAMI CORPORATION	30,756.53
P-60-41	AUTOLIV CEBU SAFETY MFG INC	21,252.77
P-60-45	CEBU TOYO CORPORATION	1,740.00
P-60-56	PHILIPPINE IINO CO	52,710.80
P-60-60	FUNAI ELECTRIC CEBU INC	37,362.88
P-60-64	PHILIPPINE IINO CO	133,764.65
P-60-66	DRAKA PHILIPPINES INC	3,230.00
P-60-69	DAITOH PRECISION INC	69,060.68
P-60-72	MINOURA PHILIPPINES CORP	43,738.86
P-60-73	MINOURA PHILIPPINES CORP	70,158.89
P-60-74	MATLUSTER CORPORATION	14,836.33
P-60-75	QUEST DENTAL MATERIAL CORP	112,794.18
P-60-77	YAMASHIN CEBU FILTER MFG CORP	597,609.43
P-60-81	MAKOTO METAL TECHNOLOGY INC	66,908.11
P-60-83	TAIYO YUDEN PHILIPPINES INC	337,020.91
P-60-85	MURAMOTO AUDIOVISUAL PHILS INC	187,109.33
P-60-86	CEBU MITSUMI INC	1,670,034.27
P-60-87	TAIYO YUDEN PHILIPPINES INC	661,802.65
P-60-88	ATOMED CEBU INC	42,912.26
P-60-89	PHILIPPINE IINO CO	111,164.74
P-60-90	CEBU IWAKAMI CORPORATION	40,463.60
P-60-91	PHILIPPINE IINO CO	66,194.12
P-60-92	TAMIYA PHILIPPINES INC	30,456.90
P-60-96	PHILIPPINE MAKOTO CORPORATION	12,999.11
P-60-99	PHILIPPINE KENKO CORPORATION	49,559.94
P-60-100	CEBU SHINSEI CORPORATION	8,000.00
P-60-102	FUNAI ELECTRIC CEBU INC	36,320.00
P-60-107	MINOURA PHILIPPINES CORP	72,022.95
P-60-108	MINOURA PHILIPPINES CORP	39,918.06
P-60-109	QUEST DENTAL MATERIAL CORP	78,099.77
P-60-110	CEBU TOYO CORPORATION	13,630.00
P-60-111	MATLUSTER CORPORATION	27,049.04
P-60-112	MAKOTO METAL TECHNOLOGY INC	49,684.19
P-60-113	TOYOFLEX CEBU CORPORATION	100,526.13
P-60-114	PHILUNION FROZEN FOODS INC	1,748.52
P-60-116	DAITOH PRECISION INC	76,784.37
P-60-118	FUNAI ELECTRIC CEBU INC	34,275.60
P-60-119	ATOMED CEBU INC	97,528.60
P-60-120	KYOCERA DOCUMENT SOLUTIONS DEVT PHILS INC	51,109.40
P-60-122	TAIYO YUDEN PHILIPPINES INC	232,602.40
P-60-123	TAIYO YUDEN PHILIPPINES INC	546,070.44
P-60-124	INA MICRO OPTO CORPORATION	21,873.48

P-60-129	NKC MFG PHILS CORP	52,910.71
P-60-130	TAMIYA PHILIPPINES INC	2,530.00
P-60-131	NKC MFG PHILS CORP	154,981.13
P-60-132	RICOH IMAGING PRODUCTS PHILS	151,640.88
P-60-133	YAMASHIN CEBU FILTER MFG CORP	525,078.30
P-60-134	CEBU MITSUMI INC	1,553,413.07
P-60-141	JMS HEALTHCARE PHL INC	54,885.94
P-60-146	VACUUMTECH PHILIPPINES INC	140,622.66
P-60-148	BRIDGESTONE PRECISION MOLDING PHILS INC	521,641.38
P-60-149	FUTABA CORP OF THE PHILS	744,231.74
P-60-153	ENSYU TAKERU RUBBER INDUSTRIES INC	31,004.83
P-60-154	ENSYU TAKERU RUBBER INDUSTRIES INC	30,810.05
P-60-156	IRON WORKS NORTH BEARD PHILS INC	57,618.81
P-60-158	PHILINAK INDUSTRIES INC	136,921.30
P-60-159	MARUICHI PHILIPPINES STEEL TUBE INC	30,000.00
P-60-160	ENSYU TAKERU RUBBER INDUSTRIES INC	31,395.63
P-60-161	ENSYU TAKERU RUBBER INDUSTRIES INC	31,199.60
P-60-162	ENSYU TAKERU RUBBER INDUSTRIES INC	30,978.70
P-60-164	HITACHI CABLE PHILIPPINESINC	1,021,652.09
P-60-165	OB KOGYO PHILIPPINES INC	20,961.34
P-60-166	K AND K MOLDING INC	30,900.00
P-60-167	ENSYU TAKERU RUBBER INDUSTRIES INC	29,500.00
P-60-170	ENSYU TAKERU RUBBER INDUSTRIES INC	30,389.33
P-60-171	ENSYU TAKERU RUBBER INDUSTRIES INC	31,183.93
P-60-172	PHILINAK INDUSTRIES INC	88,670.50
P-60-173	PHILINAK INDUSTRIES INC	139,130.54
P-60-174	PHILINAK INDUSTRIES INC	16,500.00
P-60-176	HITACHI CABLE PHILS INC	217,581.29
P-60-178	K AND K MOLDING PHILIPPINES INC	12,600.00
P-60-179	ASTEC POWER PHILS INC	2,500.00
P-60-182	KATOLEC PHILIPPINES CORP	723,050.00
P-60-185	DENSO TEN PHILIPPINES CORP	345,639.00
P-60-188	LAGUNA METTS CORPORATION	472,069.52
P-60-190	TS TECH TRIM PHILS INC	33,159.75
P-60-191	DENSO TEN PHILIPPINES CORP	643,735.05
P-60-192	DENSO TEN PHILIPPINES CORP	431,162.05
P-60-193	LAGUNA METTS CORPORATION	485,693.80
P-60-196	KEYENCE PHILIPPINES INC	56,298.12
P-60-200	NEP LOGISTICS INC	3,456.60
P-60-201	ONDA GROUP OF COMPANIES INC	54,536.47
P-60-203	NEP LOGISTICS INC	50,559.66
P-60-204	NIDEC SANKYO PHILIPPINES CORP	457,342.09
P-60-206	OHGITANI PHILIPPINES INC	17,500.00
P-60-208	NITTO DENKO PHILIPPINES CORP	477,449.55
P-60-209	NIDEC PHILIPPINES CORPORATION	92,918.52
P-60-210	DENSO TEN PHILIPPINES CORP	3,479.00
P-60-212	PHILIPPINE MANUFACTURING CO OF MURATA INC	2,130,519.17
P-60-213	ONDA GROUP OF COMPANIES INC	35,080.43
P-60-214	WU KONG SINGAPORE PTE LTD	7,836.06

P-60-215	WU KONG SINGAPORE PTE LTD	3,812.90
P-60-216	HOUSE TECHNOLOGY INDUSTRIES PTE LTD	27,375.82
P-60-217	ASIAN TRANSMISSION CORPORATION	171,684.31
P-60-221	VACUUMTECH PHILIPPINES INC	148,752.18
P-60-226	MELTEC PHILIPPINES CORPORATION	3,000.00
P-60-229	VACUUMTECH PHILIPPINES INC	10,800.00
P-60-243	JUNTEC CORPORATION	116,606.37
P-60-244	JUNTEC CORPORATION	122,182.33
P-60-247	VACUUMTECH PHILIPPINES INC	72,500.00
P-60-252	JMS HEALTHCARE PHL INC	779,876.00
P-60-253	VAREX IMAGING PHILIPPINES INC	5,016.63
P-60-254	SHIMADZU PHILIPPINES MFG INC	11,674.27
P-60-257	JAE PHILIPPINES INC	44,600.00
P-60-258	JAE PHILIPPINES INC	639,758.95
P-60-259	JAE PHILIPPINES INC	182,126.00
P-60-261	FUJIFILM OPTICS PHILS INC	70,303.31
P-60-265	CONTINENTAL TEMIC ELECTRONIC PHILS INC	398,496.68
P-60-266	ON SEMICONDUCTOR PHILS INC	40,680.00
P-60-267	FUTABA CORP OF THE PHILS	172,212.38
P-60-268	TEMIC AUTOMOTIVE PHILS INC	21,490.00
P-60-269	CAC PHILIPPINES INC	109,827.35
P-60-270	CAC PHILIPPINES INC	100,887.54
P-60-271	TEMIC AUTOMOTIVE PHILS INC	17,460.00
P-60-272	CONTINENTAL TEMIC ELECTRONIC PHILS INC	347,072.65
P-60-275	NISSHO PRECISION PHILS INC	66,827.47
P-60-276	CONTINENTAL TEMIC ELECTRONIC PHILS INC	684,387.55
P-60-277	ENOMOTO PHILIPPINE MFTNG INC	411,833.27
P-60-280	YUMEX PHILIPPINES CORP	74,400.00
P-60-281	SANNO PHILIPPINES MFG CORP	8,831.39
P-60-283	USHIO PHILIPPINES INC	3,500.00
P-60-287	LAGUNA METTS CORPORATION	180,606.76
P-60-291	DENSO TEN PHILIPPINES CORP	265,936.61
P-60-292	KATOLEC PHILIPPINES CORP	761,100.00
P-60-298	PHILIPPINE HKR INC	5,200.00
P-60-299	MSPECIALTY PRINTING PHILS INC	10,381.61
P-60-300	JOYSON SAFETY SYSTEMS PHILS CORP	290,164.83
P-60-301	JOYSON SAFETY SYSTEMS PHILS CORP	122,478.50
P-60-303	ALIBATA LIMITED	7,946.62
P-60-304	ALIBATA LIMITED	15,789.78
P-60-306	DENSO TEN PHILIPPINES CORP	706,054.23
P-60-309	YAMAICHI SEIKO PHILIPPINES INC	192,488.36
P-60-313	TY COMPOSITE INTERNATIONAL CORP	734,566.68
P-60-323	MOLEX INTEG PRODUCTS PHIL INC	479,339.95
P-60-325	MARUBUN ARROW PHILS INC	40,628.39
P-60-326	JAE PHILIPPINES INC	128,203.00
P-60-327	HAYAKAWA ELECTRONIC PHILS INC	226,797.75
P-60-328	ROHM ELECTRONICS PHILIPINES INC	607,020.36
P-60-329	ROHM ELECTRONICS PHILIPINES INC	846,034.54

P-60-330	BLD ELECTRONICS PHILS INC	108,056.65
P-60-331	EDS MANUFACTURING INC	19,855.66
P-60-333	ELEMATEC PHILIPPINES INC	6,317.34
P-60-334	ELEMATEC PHILIPPINES INC	114,363.00
P-60-339	NAKASHIMA PHILIPPINES CORP	273,281.51
P-60-341	FURUKAWA ELECTAUTOPARTS PHILS INC	5,400.00
P-60-349	LAGUNA AUTO PARTS MFG CORP	120,562.38
P-60-350	FUNAI ELECTRIC PHILIPPINES INC	261,100.00
P-60-351	FUNAI ELECTRIC PHILIPPINES INC	605,667.50
P-60-352	FUJITSU DIE TECH CORP PHILS	830,724.07
P-60-354	BROTHER INDUSTRIES PHILS INC	1,296,950.00
P-60-355	BROTHER INDUSTRIES PHILS INC	2,208,326.70
P-60-356	BROTHER INDUSTRIES PHILS INC	1,417,717.30
P-60-357	EATON INDUSTRIES PHILIPPINES BRANCH	438,520.49
P-60-360	TERUMO PHILIPPINES CORP	1,304,982.59
P-60-361	LAGUNA AUTO PARTS MFG CORP	165,472.95
P-60-365	YOZURI PHILIPPINES INC	118,485.66
P-60-366	MINEBEA PHILIPPINES INC	160,563.39
P-60-367	JX NIPPON MINING AND METALS PHILS INC	133,691.48
P-60-368	TEMIC AUTOMOTIVE PHILS INC	10,000.00
P-60-369	CAC PHILIPPINES INC	80,674.45
P-60-371	SHINETSU MAGNETICS PHILS	2,465,697.35
P-60-372	CONTINENTAL TEMIC ELECTRONIC PHILS INC	1,145,455.62
P-60-373	ON SEMICONDUCTOR PHILS INC	190,670.00
P-60-374	KEYENCE PHILIPPINES INC	54,214.18
P-60-375	TEMIC AUTOMOTIVE PHILS INC	83,240.00
P-60-377	CONTINENTAL TEMIC ELECTRONIC PHILS INC	620,346.35
P-60-378	CANON BUSINESS MACHINES PHILS INC	31,472.14
P-60-379	CONTINENTAL TEMIC ELECTRONIC PHILS INC	242,634.60
P-60-380	FUTABA CORP OF THE PHILS	168,572.63
P-60-381	ON SEMICONDUCTOR PHILS INC	3,390.00
P-60-386	ISUZU AUTO PARTS MFG CORP	8,858.46
P-60-394	NAGASE PHILS INT L SERVICES CORP	167,785.12
P-60-395	STMICROELECTRONICS INC	253,218.28
P-60-398	ARKRAY INDUSTRY WEST INC	1,147,514.40
P-60-400	EATON INDUSTRIES PHILIPPINES BRANCH	195,547.44
P-60-401	PANASONIC INDUSTRIAL DEVICES PHILS INC	243,334.81
P-60-405	MITSUBA PHILIPPINES CORP	18,915.26
P-60-406	FUNAI ELECTRIC PHILIPPINES INC	250,700.00
P-60-408	FUNAI ELECTRIC PHILIPPINES INC	227,300.00
P-60-410	COVAC PHILIPPINES INC	6,391.02
P-60-411	COVAC PHILIPPINES INC	106,065.22
P-60-412	FUNAI ELECTRIC PHILIPPINES INC	309,200.00
P-60-423	COVAC PHILIPPINES INC	38,165.09
P-60-425	SIIX LOGISTICS PHILS INC	38,000.00
P-60-427	YUSEN LOGISTICS CENTER INC	4,916.25
P-60-434	SAN TECHNOLOGY INCORPORATED	163,095.16
P-60-438	FUJI ELECTRIC PHILIPPINES INC	264,508.41

P-60-443	SUMI PHILIPPINES WIRING SYSTEMS CORP	129,120.40
P-60-447	HARADA AUTOMOTIVE ANTENNA PHIL	36,672.78
P-60-449	TOSHIBA INFO EQUIP PHILS INC	3,474.29
P-60-451	TERUMO PHILIPPINES CORP	431,019.93
P-60-452	MURATA ELECTRONICS PHILS INC	102,021.71
P-60-455	EPSON PRECISION PHILIPPINES INC	1,141,617.42
P-60-456	TDK PHILIPPINES CORPORATION	497,336.30
P-60-458	EDS MANUFACTURING INC	24,570.63
P-60-462	EPSON PRECISION PHILIPPINES INC	25,827,930.15
P-60-463	EHS LENS PHILIPPINES INC	788,069.91
P-60-465	F TECH PHILIPIINES MFG INC	548,261.34
P-60-467	FTECH PHILIPPINES MFG INC	362,671.06
P-60-468	FUJITSU DIE TECH CORP PHILS	169,745.97
P-60-472	ROHM SEMICONDUCTOR SINGAPORES PTE LTD	26,850.00
P-60-474	FUJI ELECTRIC PHILIPPINES INC	7,425.00
P-60-475	JAE PHILIPPINES INC	245,017.50
P-60-479	ELEMATEC PHILIPPINES INC	40,691.27
P-60-480	PANASONIC INDUSTRIAL DEVICES PHILS CORP	211,008.16
P-60-481	VACUUMTECH PHILIPPINES INC	217,884.02
P-60-482	TOYOTA TSUSHO PHILS CORP	123,000.00
P-60-484	JMS HEALTHCARE PHL INC	175,420.75
P-60-485	ASIAN TRANSMISSION CORPORATION	193,646.56
P-60-491	NISSIN PRECISION PHILS CORP	19,376.89
P-60-496	JMS HEALTHCARE PHL INC	364,223.25
P-60-499	ARKRAY INDUSTRY WEST INC	17,245.90
P-60-501	VACUUMTECH PHILIPPINES INC	202,392.15
P-60-510	HKT PHILIPPINES INC	36,407.55
P-60-511	VACUUMTECH PHILIPPINES INC	133,600.00
P-60-512	JMS HEALTHCARE PHL INC	215,600.00
P-60-514	FUJIMOLD PHILIPPINES INC	19,180.20
P-60-515	TOYOTA TSUSHO PHILIPPINES CORP	20,500.00
P-60-518	VACUUMTECH PHILIPPINES INC	3,200.00
P-60-519	JUNTEC CORPORATION	117,140.63
P-60-522	KEYENCE PHILIPPINES INC	80,512.30
P-60-524	CAC PHILIPPINES INC	113,035.00
P-60-525	CONTINENTAL TEMIC ELECTRONIC PHILS INC	577,301.20
P-60-527	PV TECH PTE LTD	2,912.45
P-60-528	SCAD SERVICES S PTE LTD	15,248.58
P-60-529	WU KONG SINGAPORE PTE LTD	4,650.83
P-60-531	SHINETSU MAGNETICS PHILS INC	2,991,878.53
P-60-532	NISSHO PRECISION PHILS INC	101,874.92
P-60-534	VISHAY PHILIPPINES INC	5,327.30
P-60-538	K AND K MOLDING INCORPORATED	66,600.00
P-60-539	MARUICHI PHILIPPINES STEEL TUBE INC	54,000.00
P-60-540	PHILINAK INDUSTRIES INC	112,468.32
P-60-541	PHILINAK INDUSTRIES INC	106,675.50
P-60-543	HITACHI CABLE PHILS INC	315,655.36
P-60-544	ENSYU TAKERU RUBBER INDUSTRIES INC	31,210.05

P-60-550	IRON WORKS NORTH BEARD PHILS INC	20,400.00
P-60-553	OB KOGYO PHILIPPINES INC	106,961.86
P-60-556	COVAC PHILIPPINES INC	36,965.22
P-60-557	FUJITSU DIE TECH CORP PHILS	427,736.37
P-60-558	NISSEN PHILIPPINES INC	58,200.00
P-60-561	BROTHER INDUSTRIES PHILS INC	1,957,034.57
P-60-562	FUNAI ELECTRIC PHILIPPINES INC	337,529.45
P-60-565	TY COMPOSITE INTERNATIONAL CORP	577,420.18
P-60-566	MINEBEA PHILIPPINES INC	135,637.32
P-60-567	SIIX EMS PHILIPPINES INC	97,817.29
P-60-569	FUNAI ELECTRIC PHILIPPINES INC	300,400.00
P-60-571	EATON INDUSTRIES PHILIPPINES LLC	3,684.75
P-60-573	MANILA AMC MACHINERY CORP	25,610.06
P-60-574	OGINO PHILIPPINES CORP	18,738.20
P-60-587	ROHM ELECTRONICS PHILIPPINES INC	973,714.27
P-60-588	FUJIFILM OPTICS PHILS INC	378,660.78
P-60-589	FUJIFILM OPTICS PHILS INC	180,647.46
P-60-591	HAYAKAWA ELECTRONIC PHILS INC	6,095.58
P-60-592	SONION PHILIPPINES INC	54,786.10
P-60-593	SONION PHILIPPINES INC	15,480.90
P-60-595	ARKRAY INDUSTRY WEST INC	928,316.17
P-60-597	IONICS EMS INC	11,500.00
P-60-598	SAN TECHNOLOGY INC	458,705.03
P-60-599	EATON INDUSTRIES PHILIPPINES LLC	188,513.17
P-60-602	FURUKAWA AUTOMOTIVE SYSTEM PHILS INC	1,350,707.02
P-60-604	TERUMO PHILIPPINES CORP	366,871.01
P-60-605	ROHM ELECTRONICS PHILIPPINES INC	739,721.35
P-60-606	EPSON PRECISION PHILIPPINES INC	1,134,289.70
P-60-608	ARKRAY INDUSTRY ON BEHALF OF ARKRAY GLOBAL BUSINESS INC	34,819.95
P-60-613	NEP LOGISTICS INC	519,156.00
P-60-614	NEP LOGISTICS INC	226,793.85
P-60-615	NEP LOGISTICS INC	1,852,254.90
P-60-617	NIDEC PHILIPPINES CORPORATION	55,844.00
P-60-626	SENJU SOLDER PHILS INC	4,650.00
P-60-627	KATOLEC PHILIPPINES CORP	744,600.00
P-60-628	ROHM SEMICONDUCTOR SINGAPORE PTE LTD	19,000.00
P-60-630	OHTSUKA POLYTECH PHILS INC	84,912.51
P-60-631	YAZAKI TORRES MFG INC	29,150.25
P-60-632	KURODA ELECTRIC PHILS INC	5,000.00
P-60-635	JOYSON SAFETY SYSTEMS PHILS CORP	162,000.00
P-60-638	DENSO TEN PHILIPPINES CORP	227,567.82
P-60-640	JOYSON SAFETY SYSTEMS PHILS CORP	396,312.00
P-60-644	ISUZU AUTO PARTS MFG CORP	273,732.75
P-60-645	TOSHIBA INFO EQUIP PHILS INC	800,494.00
P-60-647	TS TECH TRIM PHILS INC	98,366.00
P-60-648	DENSO TEN PHILIPPINES CORP	734,974.85
P-60-649	PHILIPPINE HKR INC	31,900.00
P-60-654	HONDA TRADING PHILIPPINES CORP ECOZONE CORP	529,310.07

P-60-655	GOSHI PHILIPPINES INC	312,232.95
P-60-658	KEYENCE PHILIPPINES INC	121,847.62
P-60-659	HOUSE TECHNOLOGY INDUSTRIES PTE LTD	20,158.40
P-60-660	SCAD SERVICES S PTE LTD	21,826.37
P-60-662	PHILIPPINE BATTERIES INC	33,000.00
P-60-665	CANON BUSINESS MACHINES PHILS INC	6,743,325.42
P-60-667	CANON BUSINESS MACHINES PHILS INC	205,126.89
P-60-668	PHILIPPINE BATTERIES INC	285,452.50
P-60-670	ON SEMICONDUCTOR PHILS INC	146,683.99
P-60-672	CAC PHILIPPINES INC	38,790.00
P-60-673	SHINETSU MAGNETICS PHILS	2,841,809.40
P-60-675	PHILIPPINE NAGANO SEIKO INC	1,971.68
P-60-677	PHILIPPINE NAGANO SEIKO INC	10,233.75
P-60-679	SHOWA ALUMINUM MFG PHILS CORP	249,597.31
P-60-688	SHOWA ALUMINUM MFG PHILS CORP	223,207.90
P-60-691	BROTHER INDUSTRIES PHILS INC	3,185,200.35
P-60-692	FUNAI ELECTRIC PHILIPPINES INC	245,819.10
P-60-693	TERUMO PHILIPPINES CORP	1,053,964.87
P-60-697	BROTHER INDUSTRIES PHILS INC	2,101,901.26
P-60-698	FTECH PHILIPPINES MFG INC	271,567.44
P-60-699	EPSON PRECISION PHILIPPINES INC	28,682,834.73
P-60-701	YOZURI PHILIPPINES INC	195,910.00
P-60-705	EHS LENS PHILIPPINES INC	871,128.44
P-60-706	BROTHER INDUSTRIES PHILS INC	3,149,662.00
P-60-707	FUJITSU DIE TECH CORP PHILS	247,465.43
P-60-710	FUJIFILM OPTICS PHILS INC	76,134.82
P-60-719	JAE PHILIPPINES INC	119,444.50
P-60-720	HAYAKAWA ELECTRONIC PHILSINC	347,179.40
P-60-721	JAE PHILIPPINES INC	479,305.00
P-60-722	JAE PHILIPPINES INC	760,989.84
P-60-725	TDK PHILIPPINES CORPORATION	253,462.80
P-60-726	FUJI ELECTRIC PHILIPPINES INC	230,162.73
P-60-727	NAKASHIMA PHILIPPINES CORP	310,583.33
P-60-728	HARADA AUTOMOTIVE ANTENNA PHIL	51,013.44
P-60-729	NIDEC SANKYO PHILIPPINES CORP	232,107.88
P-60-733	SUMITRONICS PHILIPPINES INC	8,600.00
P-60-739	SUMI PHILIPPINES WIRING SYSTEMS CORP	121,000.00
P-60-740	FUJI ELECTRIC PHILIPPINES INC	6,075.00
P-60-743	CITIZEN FINEDEVICE PHILS CORP	167,500.22
P-60-745	MARUBUN ARROW PHILS INC	44,426.79
P-60-746	FTECH S AND F PHILIPPINES INC	5,621.00
P-60-748	LAGUNA AUTO PARTS MFG CORP	161,204.67
P-60-752	SUMI PHILIPPINES WIRING SYSTEMS CORP	23,000.00
P-60-755	FUJITSU DIE TECH CORP PHILS	749,358.56
P-60-757	HAYAKAWA ELECTRONIC PHILS INC	326,200.00
P-60-760	PANASONIC INDL DEVICES SALES PHILS CORP	169,492.18
P-60-761	ROHM ELECTRONICS PHILIPPINES INC	1,004,684.77
P-60-762	ROHM ELECTRONICS PHILIPPINES INC	512,604.02
P-60-767	TDK PHILIPPINES CORPORATION	128,375.67
P-60-768	FURUKAWA ELECT AUTOPARTS PHILS INC	4,725.00

P-60-769	FURUKAWA ELECT AUTOPARTS PHILS INC	156,219.80
P-60-770	MOLEX INTEG PRODUCTS PHIL INC	302,078.12
P-60-777	PHILIPPINE MANUFACTURING CO OF MURATA INC	657,671.34
P-60-780	DENSO PHILIPPINES CORPORATION	723,711.41
P-60-781	NISSHO PRECISION PHILS INC	41,657.26
P-60-782	CONTINENTAL TEMIC ELECTRONIC PHILS INC	177,262.39
P-60-785	EATON INDUSTRIES PHILIPPINES	478,068.48
P-60-787	TERUMO PHILIPPINES CORP	1,173,702.44
P-60-788	OGINO PHILIPPINES CORP	40,789.65
P-60-791	PANASONIC INDL DEVICES SALES M SDN BHD	74,140.00
P-60-792	TSUKIDEN ELECTRONICS PHILS INC	87,783.82
P-60-799	EPSON PRECISION PHILIPPINES PHILS INC	30,204,263.81
P-60-803	PANASONIC INDL DEVICES SALES PHILS CORP	50,312.40
P-60-805	FUNAI ELECTRIC PHILIPPINES INC	330,363.05
P-60-806	FUNAI ELECTRIC PHILIPPINES INC	609,492.50
P-60-807	FUNAI ELECTRIC PHILIPPINES INC	130,600.00
P-60-808	FUNAI ELECTRIC PHILIPPINES INC	810,525.31
P-60-815	MIRAI PHILIPPINES CORP	183,602.19
P-60-819	TY COMPOSITE INTERNATIONAL CORP	374,409.98
P-60-822	SUMI PHILIPPINES WIRING SYSTEMS CORP	93,225.00
P-60-823	SAN TECHNOLOGY INC	259,404.62
P-60-828	NAGASE PHILS INTL SERVICES CORP	111,670.00
P-60-829	JAE PHILIPPINES INC	788,896.65
P-60-830	FUJI ELECTRIC PHILIPPINES INC	177,156.18
P-60-831	YAZAKI TORRES MFG INC	64,405.05
P-60-832	CITIZEN FINEDEVICE PHILS CORP	46,147.19
P-60-834	ARKRAY INDUSTRY WEST INC	447,031.88
P-60-835	MARUBUNARROW PHILS INC	33,143.16
P-60-836	FUJI ELECTRIC PHILIPPINES INC	4,500.00
P-60-838	MURATA ELECTRONICS PHILS INC	137,657.76
P-60-839	NAKASHIMA PHILIPPINES CORP	386,229.95
P-60-841	HARADA AUTOMOTIVE ANTENNA PHIL	77,276.73
P-60-842	FURUKAWA AUTOMOTIVE SYSTEM LIMA PHILS INC	1,431,752.74
P-60-843	STMICROELECTRONICS INC	252,769.09
P-60-844	STMICROELECTRONICS INC	519.89
P-60-847	TERUMO PHILIPPINES CORP	187,682.45
P-60-848	EPSON PRECISION PHILIPPINES PHILS INC	2,013,483.19
P-60-850	MITSUBA PHILIPPINES CORP	3,950.00
P-60-852	ISUZU AUTO PARTS MFG CORP	561,507.46
P-60-853	NIDEC PHILIPPINES CORPORATION	89,564.72
P-60-854	DENSO TEN PHILIPPINES CORP	174,839.58
P-60-855	DENSO TEN PHILIPPINES CORP	171,715.00
P-60-856	NIDEC SANKYO PHILIPPINES CORP	284,969.57
P-60-857	KOLEN PHILIPPINES INC	50,926.41
P-60-858	JX NIPPON MINING AND METALS PHILSINC	287,416.53
P-60-859	BROTHER INDUSTRIES PHILS INC	322,889.77

P-60-860	BROTHER INDUSTRIES PHILS INC	1,871,749.83
P-60-861	BROTHER INDUSTRIES PHILS INC	5,306,867.94
P-60-862	EHS LENS PHILIPPINES INC	904,454.57
P-60-864	DYNAPAC AND MALINTA	213,605.80
P-60-865	SIIX LOGISTICS PHILS INC	103,244.08
P-60-873	P IMES CORPORATION	1,573,082.57
P-60-874	NIPPON EXPRESS AUSTRALIA PTY LIMITED	269,790.21
P-60-876	NIPPON EXPRESS MALAYSIA SDN BHD	252,033.90
P-60-877	NIPPON EXPRESS SOUTH ASIA AND OCEANA PTE LTD	1,731,628.64
P-60-878	NIPPON EXPRESS THAI CO LTD	378,854.80
P-60-879	NIPPON EXPRESS VIETNAM CO	554,295.99
P-60-881	NIPPON EXPRESS KOREA CO LTD	127,176.28
P-60-884	PT NITTSU LEMO INDONESIA	4,060.84
P-60-1167	NIPPON EXPRESS SOUTH ASIA AND OCEANIA PTE LTD	1,251,604.40
P-60-1168	NIPPON EXPRESS VIETNAM CO	1,234,199.39
P-60-1172	PT NITTSU LEMO INDONESIA	1,533.49
P-60-1174	NIPPON EXPRESS M SDN BHD	529,264.94
P-60-1175	NIPPON EXPRESS SOUTH ASIA OCEANIA PTE LTD	1,022,890.90
P-60-1179	PT NITTSU LEMO INDONESIA	2,110.92
P-60-1324	NIPPON EXPRESS CO LTD	4,831.00
P-60-1326	ROHM SEMICONDUCTOR SINGAPORE PTE LTD	10,500.00
P-60-1327	NEP LOGISTICS INC	129,423.95
P-60-1328	CEBU MOLD TECHNOLOGY INC	2,739.00
P-60-1329	NEP LOGISTICS INC	12,894.00
P-60-1330	DENSO TEN PHILIPPINES CORP	199,107.73
P-60-1331	ALIBATA LIMITED	7,400.00
P-60-1332	HONDA TRADING PHILIPPINES ECOZONE CORP	416,686.40
P-60-1333	MICROTOP PHILIPPINES INC	8,732.18
P-60-1334	NEP LOGISTICS INC	300.00
P-60-1335	FATEC CORPORATION	32,504.49
P-60-1337	MINOURA PHILIPPINES CORP	101,624.71
P-60-1339	LAGUNA METTS CORPORATION	107,863.32
P-60-1340	SENSHU ELECTRIC PHILIPPINES	27,250.00
P-60-1341	NIKKOSHI PHILIPPINES CORP	16,336.39
P-60-1342	MSPECIALTY PRINTING PHILS INC	5,920.22
P-60-1343	MSPECIALTY PRINTING PHILS INC	16,494.10
P-60-1344	ONDA GROUP OF COMPANIES INC	82,178.41
P-60-1345	YOZURI PHILIPPINES INC	250,836.57
P-60-1351	GLOBAL MOCOM TRANSCENDING INC	43,472.10
P-60-1352	TOSHIBA INFO EQUIP PHILS INC	1,004,943.34
P-60-1354	HONDA TRADING PHILIPPINES ECOZONE CORP	892,735.34
P-60-1355	TOSHIBA INFO EQUIP PHILS INC	3,367,217.54
	Total	**₱233,587,069.43**

Exhibit No.	Customer	Amount
P-61-1	MINOURA PHILIPPINES CORP	₱ 7,074.74
P-61-2	CEBU MICRO ELECTRONICS INC	15,112.32
P-61-3	DAITOH PRECISION INC	307,874.59
P-61-4	TOYOFLEX CEBU CORPORATION	234,632.64
P-61-5	CEBU SHINSEI CORPORATION	26,971.08
P-61-7	DRAKA PHILIPPINES INC	2,032.00
P-61-8	MINOURA PHILIPPINES CORP	60,591.69
P-61-9	MINOURA PHILIPPINES CORP	71,280.03
P-61-10	RICOH IMAGING PRODUCTS PHILS	222,460.73
P-61-11	MAKOTO METAL TECHNOLOGY INC	55,507.66
P-61-12	NKC MFG PHILS CORP	73,239.75
P-61-14	MURAMOTO AUDIOVISUAL PHILS IHC	383,677.25
P-61-17	PHILIPPINE MAKOTO CORPORATION	38,835.05
P-61-18	PHILIPPINE KENKO CORPORATION	104,028.71
P-61-21	RICOH IMAGING PRODUCTS PHILS	139,016.55
P-61-22	MSM CEBU INC	130,081.19
P-61-23	MAKOTO METAL TECHNOLOGY INC	117,573.19
P-61-24	PHILIPPINE KENKO CORPORATION	80,512.74
P-61-26	INA MICRO OPTO CORPORATION	21,265.74
P-61-27	CEBU MICRO ELECTRONICS INC	41,499.12
P-61-29	TAIYO YUDEN PHILIPPINES INC	140,890.01
P-61-31	MSM CEBU INC	147,326.08
P-61-33	PHILIPPINE KENKO CORPORATION	111,776.20
P-61-34	MURAMOTO AUDIO VISUAL PHILS INC	279,867.55
P-61-37	PHILINAK INDUSTRIES INC	103,565.31
P-61-39	SCAD SERVICES S PTE LTD	11,622.98
P-61-47	DENSO TEN PHILIPPINES CORP	298,607.90
P-61-48	NIKKOSHI PHILIPPINES CORP	69,557.12
P-61-53	FUTABA CORP OF THE PHILS	280,313.83
P-61-54	YAMAICHI SEIKO PHILIPPINES INC	209,032.34
P-61-56	ALIBATA LIMITED	11,873.24
P-61-57	ENOMOTO PHILIPPINE MFTNG INC	232,582.15
P-61-59	CAC PHILIPPINES INC	18,477.31
P-61-61	JX NIPPON MINING AND METALS PHILS INC	634,814.36
P-61-63	ELEMATEC PHILIPPINES INC	49,067.79
P-61-64	TOYOTA AISIN PHILIPPINES INC	154,337.24
P-61-70	NIPPON EXPRESS CO LTD	15,818,026.99
P-61-72	FUTABA CORP OF THE PHILS	99,414.46
	Total	**₱ 20,804,419.63**

Exhibit No.	Customer	Amount
P-62-1	PRICON MICROELECTRONICS INC	₱ 6,714.45
P-62-2	SENJU SOLDER PHILS INC	84,050.72
P-62-5	ITABASHI SEIKI PHILIPPINES INC	22,678.69
P-62-7	SANNO PHILS MANUFACTURING CORP	5,577.69
P-62-8	ENSYU TAKERU RUBBER INDUSTRIES INC	30,409.43
P-62-17	KINPO ELECTRONICS PHIL INC	1,400.00
P-62-24	LAGUNA AUTO PARTS MFG CORP	168,649.13
P-62-32	TEMIC AUTOMOTIVE PHILS INC	55,370.00

P-62-33	EMD TECHNOLOGIES PHILIPPINES INC	575,158.62
P-62-56	NITTO DENKO PHILIPPINES CORP	3,446.00
P-62-60	YUSEN LOGISTICS CENTER INC	11,178.07
P-62-61	NIDEC PRECISION PHILS CORP	1,400.00
P-62-63	HKT PHILIPPINES INC	3,032.50
P-62-86	GREENPHILS INC	10,078.46
P-62-96	YUSEN LOGISTICS CENTER INC	14,079.18
	Total	**₱ 993,222.94**

Exhibit No.	Customer	Amount
P-63-2	ISUZU AUTO PARTS MFG CORP	₱ 83,635.60
P-63-4	JOYSON SAFETY SYSTEMS PHILS CORP	67,820.27
P-63-6	BROTHER INDUSTRIES PHILS INC	1,840,715.74
P-63-7	BROTHER INDUSTRIES PHILS INC	204,485.03
P-63-8	MIYASAKA POLYMER PHILS INC	11,277.99
	Total	**₱ 2,207,934.63**

Exhibit No.	Customer	Amount
P-64-5	FIRST SUMIDEN CIRCUITS INC	₱ 37,298.73
P-64-6	CANON BUSINESS MACHINES PHILS INC	7,239,661.63
P-64-8	JMS HEALTHCARE PHL INC	187,000.00
P-64-10	CONTINENTAL TEMIC ELECTRONIC PHILS INC	183,953.88
P-64-11	P IMES CORPORATION	149,941.40
P-64-14	DENSO PHILIPPINES CORPORATION	2,112,494.50
P-64-15	FIRST SUMIDEN CIRCUITS INC	67,829.05
P-64-16	FUTABA CORP OF THE PHILS	757,381.95
P-64-17	FURUKAWA AUTOMOTIVE SYSTEM LIMA PHILIPPINES INC	1,430,078.81
P-64-19	FUJIFILM OPTICS PHILS INC	282,657.85
P-64-21	NIPPON EXPRESS CO LTD	11,613,441.18
P-64-23	SCAD SERVICES S PTE LTD	27,918.80
P-64-26	KEYENCE PHILIPPINES INC	38,516.58
P-64-27	CAC PHILIPPINES INC	648,044.90
P-64-29	PHILIPPINE MANUFACTURING CO OF MURATA INC	960,589.28
P-64-30	TEMIC AUTOMOTIVE PHILS INC	34,480.00
P-64-31	NITTO DENKO PHILIPPINES CORP	126,532.09
P-64-32	TEMIC AUTOMOTIVE PHILS INC	50,335.00
P-64-33	FIRST SUMIDEN CIRCUITS INC	108,440.79
P-64-34	DENSO PHILIPPINES CORPORATION	3,145,308.77
P-64-35	MOLEX INTEG PRODUCTS PHIL INC	1,157,881.07
P-64-36	OGINO PHILIPPINES CORP	109,500.00
P-64-37	TDK PHILIPPINES CORPORATION	452,377.57
P-64-38	DAIKYO INTERNATIONAL PHILS INC	5,049.69
P-64-39	P IMES CORPORATION	73,911.74
P-64-41	NIPPON EXPRESS M SDN BHD	382,927.48
P-64-44	ON SEMICONDUCTOR PHILS INC	238,798.44
P-64-45	JOYSON SAFETY SYSTEMS PHILS CORP	233,384.32
P-64-46	DENSO TEN PHILIPPINES CORP	402,881.77

P-64-48	STT PHILIPPINES INC	92,607.00
P-64-49	KEYENCE PHILIPPINES INC	82,989.39
P-64-50	ELEMATEC PHILIPPINES INC	163,890.00
P-64-51	PRICON MICRO ELECTRONICS INC	17,433.90
P-64-52	NITTO DENKO PHILIPPINES CORP	225,923.49
P-64-53	DENSO PHILIPPINES CORPORATION	2,755,861.89
P-64-54	FIRST SUMIDEN CIRCUITS INC	198,552.83
P-64-56	TOSHIBA INFO EQUIP PHILS INC	1,704,748.80
P-64-57	MANILA AMC MACHINERY CORP	207,575.00
P-64-58	MINEBEA PHILIPPINES INC	298,756.66
P-64-59	P IMES CORPORATION	91,838.26
P-64-60	NIPPON EXPRESS DEUTSCHLAND	1,599,768.84
P-64-65	NIPPON EXPRESS UK LTD	87,665.71
P-64-66	NIPPON EXPRESS AUSTRALIA PTY LTD	111,970.97
P-64-67	NIPPON EXPRESS SIN PTE LTD	417,996.23
P-64-68	NIPPON EXPRESS USA INC	3,835,535.71
P-64-74	TOSHIBA INFO EQUIP PHILS INC	354,746.35
P-64-75	TOSHIBA INFO EQUIP PHILS INC	79,267.02
	Total	**₱44,585,745.32**

Exhibit No.	Customer	Amount
P-70-1	ON SEMICONDUCTOR PHILS INC	₱ 394,399.13
P-70-3	DENSO TEN PHILIPPINES CORP	71,566.41
P-70-4	BRIDGESTONE PRECISION MOLDING PHILS INC	37,309.41
P-70-5	SENJU SOLDER PHILS INC	369,617.44
P-70-9	PHILIPPINE IINO CO	50,400.00
P-70-10	DENSO TEN PHILIPPINES CORP	839,284.30
P-70-11	DENSO TEN PHILIPPINES CORP	264,424.78
P-70-12	OGINO PHILIPPINES CORP	292,300.00
P-70-13	MOLEX INTEG PRODUCTS PHIL INC	116,057.16
P-70-14	JOYSON SAFETY SYSTEMS PHILS CORP	192,972.45
P-70-15	FUJIFILM OPTICS PHILS INC	538,316.03
P-70-16	NIPPON EXPRESS CO LTD	15,981,379.55
	Total	**₱19,148,026.66**

Exhibit No.	Customer	Amount
P-72-3	TDK PHILIPPINES CORPORATION	₱ 475,754.09
P-72-4	NIPPON EXPRESS CO LTD	1,589,638.19
P-72-5	NIPPON EXPRESS DEUTSCHLAND GMBH	1,310,619.01
P-72-10	NIPPON EXPRESS UK LTD	75,130.78
P-72-11	NIPPON EXPRESS DE ESPANA	65,059.16
P-72-12	NV NIPPON EXPRESS	1,096,170.48
P-72-14	NIPPON EXPRESS HK COMPANY LIMITED	1,597,011.82
P-72-15	NIPPON EXPRESS SIN PTE LTD	1,639,772.32
P-72-16	NIPPON EXPRESS TAIWAN CORP	1,445,733.55
P-72-17	NIPPON EXPRESS USA INC	3,131,140.56
P-72-23	NIPPON EXPRESS CO LTD	1,244,874.27
P-72-25	NIPPON EXPRESS DEUTSCHLAND	1,978,923.70
P-72-28	NIPPON EXPRESS UK LTD	41,104.79

P-72-29	NIPPON EXPRESS DE ESPANA SA	37,960.03
P-72-32	NIPPON EXPRESS HK CO LTD	1,915,495.68
P-72-33	NIPPON EXPRESS TAIWAN CO LTD	1,399,469.52
P-72-34	NIPPON EXPRESS THAI CO LTD	583,802.36
P-72-35	NIPPON EXPRESS KOREA CO LTD	182,211.48
P-72-36	NIPPON EXPRESS USA INC	5,608,727.42
P-72-37	NIPPON EXPRESS CO LTD	19,293,512.53
P-72-40	YAZAKI TORRES MFG INC	85,607.32
P-72-43	NIPPON EXPRESS DE ESPANA SA	96,116.25
P-72-45	NIPPON EXPRESS HK CO LTD	2,054,186.31
P-72-46	NIPPON EXPRESS TAIWAN CO LTD	1,483,904.60
P-72-47	NIPPON EXPRESS THAI CO LTD	1,022,822.05
P-72-48	NIPPON EXPRESS VIETNAM CO	900,415.93
P-72-49	NIPPON EXPRESS KOREA CO LTD	163,043.75
P-72-50	NIPPON EXPRESS CO LTD	16,213,148.68
P-72-51	NIPPON EXPRESS SIN PTE LTD	1,807,540.52
P-72-52	JAE PHILIPPINES INC	850,509.99
	Total	**₱ 69,389,407.14**
	Grand Total	**₱390,715,825.75**

In sum, petitioner's valid zero-rated sales amount to ₱79,930,865.11, computed as follows:

Total zero-rated sales per Quarterly VAT Return	₱	797,143,319.03
Less: Disallowances per ICPA		7,142,149.78
Valid zero-rated sales per ICPA findings	₱	790,001,169.25
Less: Additional disallowances per Court findings:		
Sales to entities without certifications from government agencies and/or Certificate of Foreign Incorporation		90,429,669.59
Sales to NRFCs not denominated in foreign currency		228,924,808.80
Sales supported by ORs with no nature of services indicated		390,715,825.75
Valid and properly substantiated zero-rated sales	**₱**	**79,930,865.11**

The input taxes being claimed are not transitional input taxes.

Petitioner declared a total of ₱107,455,934.24 allowable input taxes for the 4th quarter of taxable year 2020, detailed as follows:[80]

Input tax deferred on capital goods exceeding P1Million from previous quarter	₱ 5,994,094.39

[80] Exhibit "P-17-1", Docket – Vol. I, pp. 152 to 153.

Current transactions:	
Purchase of Capital Goods exceeding P1Million	1,560,665.10
Domestic Purchases of goods other than capital goods	3,027,833.97
Domestic Purchases of services	103,490,112.20
Total Available input tax	₱ 114,072,705.66
Less: Input tax on capital goods exceeding P1Million deferred for the succeeding period	6,616,771.42
Total Allowable input tax	**₱107,455,934.24**

The above input taxes do *not* appear to be transitional input taxes, as understood under Section 111(A) of the NIRC of 1997, as amended, to wit:

> "SEC. 111. *Transitional/Presumptive Input Tax Credits.* –
>
> (A) *Transitional Input Tax Credits.* – A person who becomes liable to value-added tax or any person who elects to be a VAT-registered person shall, subject to the filing of an inventory according to the rules and regulations prescribed by the Secretary of Finance, upon recommendation of the Commissioner, be allowed input tax on his beginning inventory of goods, materials and supplies equivalent to two percent (2%) of the value of such inventory or the actual value-added tax paid on such goods, materials and supplies, whichever is higher, which shall be creditable against the output tax."

Transitional input tax credit operates to benefit newly VAT-registered persons, whether or not they previously paid taxes in the acquisitions of their beginning inventory of goods, materials and supplies. During the period of transition from non-VAT to VAT status, the transitional input tax credit serves to alleviate the impact of the VAT on the taxpayer.[81]

Since there is no showing that the above-stated input VAT are transitional input VAT, petitioner has complied with the *sixth* requisite for the grant of an input VAT refund.

The input taxes are due or paid.

Anent the *seventh* requisite, it is extremely important that the input taxes claimed for refund are properly supported to prove that the same are actually

[81] *Fort Bonifacio Development Corporation vs. Commissioner of Internal Revenue, et al., et seq.,* G.R. Nos. 158885 and 170680, April 2, 2009.

due or paid in accordance with Section 110(A) of the NIRC of 1997, as amended by RA No. 10963, which provides that:

> "SEC. 110. *Tax Credits.* —
>
> (A) *Creditable Input Tax.* —
>
> (1) Any input tax evidenced by a VAT invoice or official receipt issued in accordance with Section 113 hereof on the following transactions shall be creditable against the output tax:
>
> (a) Purchase or importation of goods:
>
> i. For sale; or
>
> ii. For conversion into or intended to form part of a finished product for sale including packaging materials; or
>
> iii. For use as supplies in the course of business; or
>
> iv. For use as materials supplied in the sale of service; or
>
> v. For use in trade or business for which deduction for depreciation or amortization is allowed under this Code.
>
> (b) Purchase of services on which a value-added tax has actually been paid.
>
> (2) The input tax on domestic purchase or importation of goods or properties by a VAT-registered person shall be creditable:
>
> (a) To the purchaser upon consummation of sale and on importation of goods or properties; and
>
> (b) To the importer upon payment of the value-added tax prior to the release of the goods from the custody of the Bureau of Customs.
>
> *Provided*, That the input tax on goods purchased or imported in a calendar month for use in trade or business for which deduction for depreciation is allowed under this Code, shall be spread evenly over the month of acquisition and the fifty-nine (59) succeeding months if the aggregate acquisition cost for such goods,

excluding the VAT component thereof, exceeds One million pesos (P1,000,000): *Provided, however*, That if the estimated useful life of the capital good is less than five (5) years, as used for depreciation purposes, then the input VAT shall be spread over such a shorter period: *Provided, further*, That the amortization of the input VAT shall only be allowed until December 31, 2021 after which taxpayers with unutilized input VAT on capital goods purchased or imported shall be allowed to apply the same as scheduled until fully utilized. *Provided, finally,* That in the case of purchase of services, lease or use of properties, the input tax shall be creditable to the purchaser, lessee or licensee upon payment of the compensation, rental, royalty or fee."

The above provisions are implemented by Sections 4.110-1 to 4.110-3 of RR No. 16-2005, as amended by RR No. 13-2018, which provides as follows:

"SECTION 4.110-1. *Credits For Input Tax.* — *'Input tax'* means the VAT due on or paid by a VAT-registered person on importation of goods or local purchases of goods, properties, or services, including lease or use of properties, in the course of his trade or business. It shall also include the transitional input tax and the presumptive input tax determined in accordance with Sec. 111 of the Tax Code.

It includes input taxes which can be directly attributed to transactions subject to the VAT plus a ratable portion of any input tax which cannot be directly attributed to either the taxable or exempt activity.

Any input tax on the following transactions evidenced by a VAT invoice or official receipt issued by a VAT-registered person in accordance with Secs. 113 and 237 of the Tax Code shall be creditable against the output tax:

(a) Purchase or importation of goods

(1) For sale; or

(2) For conversion into or intended to form part of a finished product for sale, including packaging materials; or

(3) For use as supplies in the course of business; or

(4) For use as raw materials supplied in the sale of services; or

(5) For use in trade or business for which deduction for depreciation or amortization is allowed under the Tax Code,

(b) Purchase of real properties for which a VAT has actually been paid;

(c) Purchase of services in which a VAT has actually been paid;

(d) Transactions 'deemed sale' under Sec. 106 (B) of the Tax Code;

(e) Transitional input tax allowed under Sec. 4.111-1 (a) of these Regulations;

(f) Presumptive input tax allowed under Sec. 4.111-1 (b) of these Regulations;

(g) Transitional input tax credits allowed under the transitory and other provisions of these Regulations.

SECTION 4.110-2. *Persons Who Can Avail of the Input Tax Credit.* — The input tax credit on importation of goods or local purchases of goods, properties or services by a VAT-registered person shall be creditable:

(a) To the importer upon payment of VAT prior to the release of goods from customs custody;

(b) To the purchaser of the domestic goods or properties upon consummation of the sale; or

(c) To the purchaser of services or the lessee or licensee upon payment of the compensation, rental, royalty or fee.

SECTION 4.110-3. *Claim for Input Tax on Depreciable Goods.* — Where a VAT-registered person purchases or imports capital goods, which are depreciable assets for income tax purposes, the aggregate acquisition cost of which (exclusive of VAT) in a calendar month exceeds One Million pesos (P1,000,000.00), regardless of the acquisition cost of each capital good, shall be claimed as credit against output tax in the following manner:

(a) If the estimated useful life of a capital good is five (5) years or more - The input tax shall be spread evenly over a period of sixty (60) months and the claim for input tax credit will commence in the calendar month when the capital good is acquired. The total input taxes on purchases or importations of this type of capital goods shall be divided by 60 and the quotient will be the amount to be claimed monthly.

(b) If the estimated useful life of a capital good is less than five (5) years — The input tax shall be spread evenly on a monthly basis by dividing the input tax by the actual number of months comprising the estimated useful life of the capital good. The claim for input tax credit shall commence in the calendar month that the capital goods were acquired.

Where the aggregate acquisition cost (exclusive of VAT) of the existing or finished depreciable capital goods purchased or imported during any calendar month does not exceed One million pesos (P 1,000,000.00), the total input taxes will be allowable as credit against output tax in the month of acquisition.

Capital goods or properties refers to goods or properties with estimated useful life greater than one (1) year and which are treated as depreciable assets under Sec. 34(F) of the Tax Code, used directly or indirectly in the production or sale of taxable goods or services.

The aggregate acquisition cost of depreciable assets in any calendar month refers to the total price, excluding the VAT, agreed upon for one or more assets acquired and not on the payments actually made during the calendar month. Thus, an asset acquired on installment for an acquisition cost of more than P1,000,000.00, excluding the VAT, will be subject to the amortization of input tax despite the fact that the monthly payments/installments may not exceed P1,000,000.00.

xxx xxx xxx

(c) The amortization of the input VAT shall only be allowed until December 31, 2021 after which taxpayers with unutilized input VAT on capital goods purchased or imported shall be allowed to apply the same as scheduled until fully utilized: *Provided, That* in the case of purchase of services, lease or use of properties, the input tax shall be creditable to the purchaser, lessee or licensee upon payment of the compensation, rental, royalty or fee."

Meanwhile, Section 4.110-8 of RR No. 16-2005 provides for the substantiation requirements of input tax credits, as follows:

"SECTION 4.110-8. *Substantiation of Input Tax Credits.* —

(a) Input taxes for the importation of goods or the domestic purchase of goods, properties or services is made in the course of trade or business, whether such input taxes shall be credited against zero-rated sale, non-zero-rated sales, or subjected to the 5% Final Withholding VAT, must be substantiated and supported by the following documents, and must be reported in the information returns required to be submitted to the Bureau:

(1) For the importation of goods — import entry or other equivalent document showing actual payment of VAT on the imported goods.

(2) For the domestic purchase of goods and properties — invoice showing the information required under Secs. 113 and 237 of the Tax Code.

(3) For the purchase of real property — public instrument i.e., deed of absolute sale, deed of conditional sale, contract/agreement to sell, etc., together with VAT invoice issued by the seller.

(4) For the purchase of services — official receipt showing the information required under Secs. 113 and 237 of the Tax Code.

A cash register machine tape issued to a registered buyer shall constitute valid proof of substantiation of tax credit only if it shows the information required under Secs. 113 and 237 of the Tax Code.

(b) Transitional input tax shall be supported by an inventory of goods as shown in a detailed list to be submitted to the BIR.

(c) Input tax on 'deemed sale' transactions shall be substantiated with the invoice required under Sec. 4.113-2 of these Regulations.

(d) Input tax from payments made to non-residents (such as for services, rentals and royalties) shall be supported by a copy of the Monthly Remittance Return of Value Added Tax Withheld (BIR Form 1600) filed by the resident payor in behalf of the non-resident evidencing remittance of VAT due which was withheld by the payor.

(e) Advance VAT on sugar shall be supported by the Payment Order showing payment of the advance VAT."

Thus, petitioner must not only present the supporting documents prescribed under Section 4.110-8 of RR No. 16-2005, but more importantly, these documents must comply with the invoicing requirements of Sections 113(A) and (B), 237 and 238 of the NIRC of 1997, as implemented by Section 4.113-1(A) and (B) of RR No. 16-2005.

Accordingly, petitioner submitted VAT invoices and ORs to support its input taxes from domestic purchases of goods and services for the 4th quarter of taxable year 2020, which were examined and verified by the ICPA. The latter found that input taxes from domestic purchases of goods and services in the amount of ₱5,317,631.57 should be disallowed for failure to comply with the substantiation and invoicing requirements set forth in the Tax Code, as amended, and corresponding regulations, to wit:[82]

Exhibit No.	Description	Valid	Invalid	Total
"P-73"	Domestic purchase of goods and services properly substantiated by VAT Invoices/VAT Ors which complied with the invoicing requirements.	₱ 39,047,979.10	₱ -	₱ 39,047,979.10
"P-74"	Domestic purchases of goods and services supported by altered VAT Invoices/VAT Ors, countersigned by the same person who signed the VAT Invoices/ORs	43,574,449.28	-	43,574,449.28
"P-75"	Domestic purchase of goods and services properly substantiated by VAT Invoices/ VAT ORs	2,337.91	-	2,337.91

[82] Exhibit "P-133", Docket – Vol. I, at pp. 403 to 404.

	with less than one thousand total receipts			
"P-76"	Domestic purchase of goods and services properly substantiated by altered VAT Invoices/ VAT ORs countersigned by the suppliers' authorized representative, as evidenced by the certification of authorized representative of the suppliers (**Exhibit P-57**)	16,279,028.38	-	16,279,028.38
"P-87"	Domestic purchase of goods and services wherein the amount of VAT claimed is not equal to the amount of VAT per documents	1,290,593.68	202,907.00	1,493,500.68
"P-128"	Domestic purchases of goods and services supported by valid invoices and ORs which complied with the invoicing requirements with MINOR alterations on NAME	236,196.89		236,196.89
"P-129"	Domestic purchases of goods and services supported by valid invoices and ORs which complied with the invoicing requirements with MINOR alterations on TIN	8,808.76		8,808.76
"P-130"	Domestic purchases of goods and services supported by valid invoices and ORs which complied with the invoicing requirements with MINOR alterations on ADDRESS	181,735.67		181,735.67
"P-131"	Domestic purchases of goods and services supported by valid invoices and ORs which complied with the invoicing requirements with MINOR alterations on BUSINESS STYLE	198,395.64		198,395.64
"P-132"	Domestic purchases of goods and services supported by valid invoices and ORs which complied with the invoicing requirements with MINOR alterations on AMOUNT	380,789.05		380,789.05
"P-90"	Domestic purchase of goods and services substantiated by altered VAT Invoices/VAT ORs but without countersign.	-	77,963.86	77,963.86

"P-77"	Domestic purchase of goods and services substantiated by VAT Invoices/VAT ORs not within the taxable quarter/year subject for audit.	-	169,550.87	169,550.87
"P-78"	Domestic purchase of goods and services substantiated by unreadable VAT Invoices/VAT ORs	-	74,116.24	74,116.24
"P-79"	Unsupported domestic purchase of goods and services	-	2,704,608.62	2,704,608.62
"P-80"	Domestic purchase of goods and services substantiated by VAT Invoices/VAT ORs with Invalid or Outdated authority to print (ATP) or no BIR Permit.	-	414,461.58	414,461.58
"P-81"	Domestic purchase of goods and services substantiated by VAT Invoices/VAT ORs but the VAT is not separately indicated in the face of the Invoice or ORs.	-	370,257.46	370,257.46
"P-83"	Domestic purchase of goods and services substantiated by VAT Invoices/ VAT ORs but without TIN of the Petitioner.	-	184,647.95	184,647.95
"P-84"	Domestic purchase of goods and services substantiated by VAT Invoices/ VAT ORs but without address of the Petitioner	-	4,430.67	4,430.67
"P-85"	Domestic purchase of goods and services substantiated by VAT Invoices/ VAT ORs but without/incorrect name of the Petitioner	-	3,169.40	3,169.40
"P-86"	Domestic purchase of goods and services substantiated by VAT Invoices/ VAT ORs but unsupported by official receipt	-	596.04	596.04
"P-88"	Domestic purchase of goods and services substantiated by VAT Invoices/VAT ORs but no OR date	-	4,500.00	4,500.00
"P-89"	Domestic purchase of goods and services substantiated by altered VAT Invoices/VAT ORs countersigned by someone not in the list provided based on the Certification of authorized representative of the suppliers.	-	46,043.24	46,043.24
"P-91"	Domestic purchase of goods and services substantiated by VAT	-	453,382.42	453,382.42

	Invoices/VAT ORs with Incorrect TIN of the Petitioner.			
"P-92"	Domestic purchase of goods and services substantiated by VAT Invoices/VAT ORs but with no business style of the petitioner	-	101,025.91	101,025.91
"P-93"	Domestic purchase of goods and services substantiated by VAT Invoices/VAT ORs but with incorrect business style	-	9,266.31	9,266.31
"P-94"	Domestic purchase of goods and services substantiated by VAT Invoices/VAT ORs but with incorrect TIN of supplier per schedule	-	496,704.00	496,704.00
	TOTAL	**₱101,200,314.36**	**₱5,317,631.57**	**₱106,517,945.93**

For petitioner's input taxes from purchases of capital goods exceeding ₱1 million, the ICPA reported that out of the ₱937,988.07[83] allowable input taxes, only ₱374,168.08 is valid, thus:[84]

Exhibit No.	Description	Valid	Invalid	Total
"P-95"	Purchase of Capital Goods >1M properly substantiated by VAT Invoices which complied with the invoicing requirements.	₱ 368,919.27	₱ -	₱ 368,919.27
"P-96"	Purchase of Capital Goods >1M properly substantiated by VAT Invoices which complied with the invoicing requirements.	5,248.81	-	5,248.81
"P-107"	Purchase of Capital Goods >1M wherein the amount of VAT claimed is not equal to the amount of VAT per documents.	-	28,651.54	28,651.54
"P-106"	Purchase of Capital Goods >1M substantiated by OR/Invoice without business style	-	2,276.79	2,276.79
"P-101"	Purchase of Capital Goods >1M substantiated by OR/Invoice with invalid ATP	-	3,360.04	3,360.04
"P-105"	Domestic Purchase of Capital Goods >1M wherein VAT is not separately indicated in the face of the Invoice or ORs.	-	3,318.25	3,318.25

[83] Exhibit "P-133", Docket – Vol. I, at p. 403.
[84] Exhibit "P-133", Docket – Vol. I, at pp. 405 to 406.

"P-100"	Missing/unsupported purchase of Capital Goods >1M	-	395,834.63	395,834.63
"P-104"	Purchase of Capital Goods >1M with incorrect TIN of the Petitioner.	-	32,484.09	32,484.09
"P-98"	Purchase of Capital Goods >1M substantiated by altered VAT OR/Invoice countersigned but the person was not ascertained to be an authorized representative of the supplier	-	34,488.09	34,488.09
"P-99"	Purchase of Capital Goods >1M substantiated by altered VAT OR/Invoice countersigned but without signature of authorized representative	-	14,006.79	14,006.79
"P-108"	Purchase of Capital Goods >1M not qualified as capital goods	-	10,823.04	10,823.04
"P-97"	Unreadable purchase of Capital Goods >1M	-	36,274.51	36,274.51
"P-109"	Incorrect TIN of supplier	-	2,298.22	2,298.22
	Rounding off difference	-	3.99	3.99
	TOTAL	**₱ 374,168.08**	**₱ 563,819.98**	**₱ 937,988.06**

The Court finds that input taxes found invalid by the ICPA should be disallowed for the reasons stated.

Further, based on ICPA's findings, the total valid and substantiated input taxes for the 4th quarter of 2020 amount to ₱101,574,482.44, computed as follows:

Current Transactions:		
Input taxes from domestic purchases of goods	₱ 3,027,833.97	
Input taxes from domestic purchases of services	103,490,112.20	
Total input taxes from current transactions	₱ 106,517,946.17	
Less: Disallowances by the ICPA	5,317,631.57	
Difference between VAT Returns and total amount verified by the ICPA (₱106,517,946.17 less ₱106,517,945.93)	0.24	₱ 101,200,314.36
Input taxes from domestic purchase of capital goods exceeding P1 million:	₱ 1,560,665.10	
Deferred input taxes on capital goods exceeding P1 million from previous quarter	5,994,094.39	
Input taxes on capital goods exceeding P1 million deferred to succeeding quarter	(6,616,771.42)	
Total input taxes from domestic purchase of capital goods exceeding P1 million	₱ 937,988.07	
Less: Disallowances by the ICPA	563,819.98	
Difference between VAT Returns and total amount verified by the ICPA (₱937,988.07 less ₱937,988.06)	0.01	374,168.08
Valid and properly substantiated input taxes		**₱101,574,482.44**

The input taxes claimed are attributable to zero-rated or effectively zero-rated sales.

For the *eighth* requisite, since petitioner had both taxable and zero-rated sales for the 4th quarter of taxable year 2020 and the input taxes cannot be directly and entirely attributable to any of these sales, the substantiated input taxes shall be proportionately allocated on the basis of sales volume, thus:

	Amount	Percentage	Valid Input Tax Allocation
Total zero-rated sales	₱ 797,143,319.03	50.26%	₱ 51,051,334.87
Total VATable sales	788,822,879.41	49.74%	50,523,147.57
Total Sales	**₱1,585,966,198.44**	**100.00%**	**₱101,574,482.44**

However, only a portion of petitioner's zero-rated sales is found to be valid and properly substantiated. Thus, the valid input taxes are further allocated accordingly:

	Amount	Percentage	Valid Input Tax Allocation
Valid zero-rated sales	₱ 79,930,865.11	10.03%	₱ 5,120,448.89
Invalid zero-rated sales	717,212,453.92	89.97%	45,930,885.98
Total zero-rated sales	**₱ 797,143,319.03**	**100.00%**	**₱ 51,051,334.87**

Based on the foregoing, petitioner's total substantiated input taxes attributable to petitioner's valid zero-rated sales is ₱5,120,448.89. With this determination of petitioner's input taxes attributable to its zero-rated sales, the *eighth* requisite is complied with.

There was no "excess" unutilized input tax that may be claimed for refund.

With regard to the *ninth* requisite, petitioner reported output taxes from its taxable sales for the 4th quarter of taxable year 2020 in the amount of ₱94,658,745.53.[85]

[85] Line 15B, Exhibit "P-17-1", Docket – Vol. I, p. 152.

It is worthy to note that in the case of *Chevron Holdings, Inc. (Formerly Caltex Asia Limited) vs. Commissioner of Internal Revenue*,[86] the Supreme Court *En Banc* ruled:

> "Thus, the input tax attributable to zero-rated sales may, at the option of the VAT-registered taxpayer, be: (1) **charged against output tax from regular 12% VAT-able sales, and any unutilized or 'excess' input tax may be claimed for refund of the issuance of tax credit certificate**; or (2) **claimed for refund or tax credit in its entirety**. It must be stressed that the **remedies of charging the input tax against the output tax and applying for a refund or tax credit are alternative and cumulative.** Furthermore, the option is vested with the taxpayer-claimant. xxx" *(Emphases and underscoring added)*

Petitioner computed its claim for refund in the aggregate amount of ₱12,797,188.46 by offsetting its output tax from taxable sales with its available input taxes for the 4th quarter of taxable year 2020, as shown hereafter:[87]

Total Allowable input tax	₱ 107,455,933.99
Less: Output tax	94,658,745.53
Unutilized Input Tax per VAT return	**₱ 12,797,188.46**

It should be noted that the foregoing computation is based on its amended VAT Return for the subject taxable quarter.[88] Clearly, petitioner opted to claim for refund its unutilized or "excess" input tax, which is the amount after charging the input tax allocated to zero-rated sales against its output tax.

Following the same computation, it turns out that petitioner has no unutilized or excess valid and substantiated input taxes left to claim for refund as the output tax due exceeds the valid input taxes:

Valid input tax allocated to VATable sales	₱ 50,523,147.57
Less: Output tax due	94,658,745.53
Output tax still due	₱ (44,135,597.96)
Valid input taxes allocated to valid zero-rated sales	5,120,448.89
Excess/unutilized input taxes (Output tax still due)	**₱ (39,015,149.08)**

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[86] G.R. No. 215159, July 5, 2022.

[87] Par. 3.6, petitioner's *Memorandum* Docket – Vol. II, p. 554.

[88] Exhibit "P-17-1", Docket – Vol. I, pp. 152 to 153.

Considering the foregoing, petitioner's claim for refund in the amount of ₱12,797,188.46, allegedly representing unutilized input VAT for the period October 1, 2020 to December 31, 2020, must fail. Such being the case, the Court will not endeavor to proceed in determining whether or not the *ninth* requisite has been complied with.

ACCORDINGLY, in light of the foregoing considerations, the present *Petition for Review* is **DENIED** for lack of merit.

SO ORDERED.

MA. BELEN M. RINGPIS-LIBAN
Presiding Justice

WE CONCUR:

MARIA ROWENA A. MODESTO-SAN PEDRO
Associate Justice

On Official Business
CORAZON G. FERRER-FLORES
Associate Justice

CERTIFICATION

Pursuant to Article VIII, Section 13 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.

MA. BELEN M. RINGPIS-LIBAN
Presiding Justice