REPUBLIC OF THE PHILIPPINES
Court of Tax Appeals
QUEZON CITY

Special Second Division

HALLIBURTON WORLDWIDE LIMITED – PHILIPPINE BRANCH
Petitioner,

-*versus*-

COMMISSIONER OF INTERNAL REVENUE,
Respondent.

CTA CASE NO. 11013

Members:
RINGPIS-LIBAN, *P.J.,*
MODESTO-SAN PEDRO, *and*
FERRER-FLORES, *JJ.*

Promulgated:
JAN 21 2026

x -- x

DECISION

2:3pm.

MODESTO-SAN PEDRO, J.:

The Case

This is a Petition for Review,[1] filed on October 27, 2022, pursuant to *Section 11 of Republic Act ("RA") No. 1125 ("CTA Law"),*[2] *as amended by RA No. 9282,*[3] in relation to *Section 112 of the National Internal Revenue Code, as amended ("Tax Code"),* to appeal respondent's inaction on petitioner's claim for refund of the aggregate amount of Php8,228,340.42, representing petitioner's alleged excess and unutilized input value added tax ("VAT") attributable to its zero-rated sales for the second, third and fourth quarters ("Q2", "Q3" to "Q4") of taxable year ("TY") 2020.[4]

The Parties

Petitioner Halliburton Worldwide Limited ("Halliburton" or "petitioner") – Philippine Branch is the local branch office of a corporation duly organized and existing under the laws of the Cayman Islands.[5] It is

---

1 Docket Vol. I, pp. 1-431, with annexes.
2 An Act Creating the Court of Tax Appeals, June 16, 1954.
3 An Act Expanding the Jurisdiction of the Court of Tax Appeals (CTA), Elevating Its Rank to the Level of a Collegiate Court with Special Jurisdiction and Enlarging Its Membership, Amending for the Purpose Certain Sections or Republic Act No. 1125, As Amended, Otherwise Known as the Law Creating the Court of Tax Appeals, and for Other Purposes; March 30, 2004.
4 Nature of the Petition, Petition for Review, Docket Vol 1, p. 1.
5 See Securities and Exchange Commission Amended License No. FS200813354, Exhibit "P-1", Docket Vol. 1, p. 25.

licensed to perform and engaged in the business of providing oilfield services and products, such as well completion, drilling, cementing, logging, well testing, perforating, production testing and workover, stimulation services and licensing of software and consulting services, and importation and provision of oilfield equipment and technology to the oil and gas industries.[6]

Petitioner is a VAT-registered entity with tax identification number ("TIN") 266-369-565-000.[7] Its registered office address is located at Unit 1502-1503 15th Floor Richville Corporate Tower, 1107 Alabang Zapote Road, Madrigal Business Park, Ayala Alabang, Muntinlupa City.[8]

On the other hand, respondent Commissioner of Internal Revenue ("CIR" or "respondent") is the public officer vested with the authority to decide, approve and grant refunds or tax credits of excess and unutilized input VAT pursuant to *Section 112 of the Tax Code* and other tax laws, rules and regulations. He holds office at the BIR National Office Building, Agham Road, Diliman, Quezon City. Respondent may be served summons, notices, and court processes at the Legal Division of Revenue Region No. 8B – South NCR located at 2nd Floor, BIR Building Gil Puyat Avenue, Makati City.[9]

The Facts

On June 29, 2022, petitioner filed with Revenue District Office (RDO) No. 53B an application for refund or credit requesting the refund of Php8,228,340.42 representing alleged unutilized input VAT for Q2 to Q4 of TY 2020 attributable to zero-rated sales ("administrative refund claim").[10]

Petitioner did not receive any notice of grant or denial of its administrative refund claim on or before September 27, 2022.[11]

Anchoring on such alleged inaction, petitioner filed the instant petition on October 27, 2022.[12]

Respondent, on the other hand, posted his Answer[13] on January 23, 2023, after being granted with an extension of time to file the same.[14]

---

[6] *Id.*

[7] See Bureau of Internal Revenue Certificate of Registration, Exhibit "P-2", *id.* at 37.

[8] *Id.*

[9] See Joint Stipulation of Facts and Issues ("JSFI"), Docket Vol. 2, p. 523.

[10] Letter Application for Tax Credits/Refunds (BIR Form No. 1914), Exhibit "P-34", BIR Records, pp. 57-71.

[11] Par. 14, Petition for Review, Docket Vol. 1, p. 5; see also Letter dated August 17, 2022, Subject: Denied Claim for Refund of Value-Added Tax (VAT), with no proof of service to petitioner.

[12] *Supra* note 1.

[13] Answer (With Attached Judicial Affidavit of Revenue Officer Abdul Fattah A. Casangoan), Docket Vol. 1, 440-458, with annex.

[14] See Motion for Extension of Time to File Answer, *id.* at 434-436; see also Resolution dated January 19, 2023, *id.* at 439.

Petitioner[15] and respondent[16] thereafter filed their pre-trial briefs on April 13 and April 14, 2023, respectively.

The pre-trial conference then ensued on April 18, 2023.[17] The parties thereafter submitted their Joint Stipulation of Facts and Issues[18] on May 17, 2023, and the Court issued its pre-trial order on June 21, 2023.[19]

On June 7, 2023, petitioner moved for the commissioning of an Independent Certified Public Accountant ("ICPA"), Edward D. Roguel, who would perform audit functions in the instant case.[20] The same was granted during the hearing held on August 15, 2023.[21]

During trial, petitioner presented its witnesses Aubrey Madridano,[22] Moon Lih Loh,[23] and ICPA Roguel[24] who testified through their respective judicial affidavits. They appeared before the Court on August 15 and October 24, 2023.[25]

On November 22, 2023, petitioner submitted its Formal Offer of Evidence,[26] to which respondent filed its Comment[27] on December 21, 2023.

Meanwhile, for respondent's side, Revenue Officer Abdul Fattah A. Casangoan, who testified through Judicial Affidavit dated January 23, 2023,[28] was presented before the Court on July 4, 2024.[29]

On even date, respondent also submitted his Formal Offer of Evidence[30] to which petitioner filed its Comment[31] on July 9, 2024.

---

[15] Petitioner's Pre-Trial Brief, Docket Vol. 2, p. 495-509.
[16] Respondent's Pre-Trial Brief, *id.* at 510-513.
[17] See Minutes of hearing dated April 18, 2023, *id.* at 518.
[18] Joint Stipulation of Facts and Issues, *id.* at 522-535.
[19] Pre-Trial Order, *id.* at 556-562.
[20] Motion to Commission an Independent Certified Public Accountant, *id.* at 536-550, with annexes.
[21] See Minutes of hearing dated August 15, 2023, *id.* at 580.
[22] Sworn Statement of Ms. Aubrey Madridano to Questions Propounded by Atty. Jellyn C. Clemente, Exhibit "P-37", Docket Vol. 1, pp. 422-430.
[23] Sworn Statement of Ms. Moon Lin Loh to Questions Propounded by Atty. Jellyn C. Clemente, duly authenticated by the Vice Consul of the Philippines in Kuala Lumpur, Malaysia, Exhibit "P-36", Docket Vol. 2, pp. 476-493.
[24] Sworn Statement of Mr. Edward D. Roguel to Questions Propounded by Atty. Jellyn C. Clemente, Exhibit "P-39", *id.* at pp. 592-620.
[25] See Minutes of hearing dated August 15, 2023, *id.* at 580; see also Minutes of hearing dated October 24, 2023 *id.* at 622.
[26] Formal Offer of Evidence, *id.* at 625-648.
[27] Comment/Objection (To Petitioner's Formal Offer of Evidence), *id.* at 757-763.
[28] Judicial Affidavit of Revenue Officer Abdul Fattah A. Casangoan, Exhibit "R-3", Docket Vol. 1, pp. 445-452.
[29] See Minutes of hearing dated July 4, 2024, Docket Vol. 2, p. 770.
[30] Formal Offer of Evidence, *id.* at 773-775.
[31] Comment (Re: Respondent's Formal Offer of Evidence), *id.* at 776-778..

Petitioner[32] and respondent[33] submitted their respective Memoranda on November 8 and November 14, 2024.

After noting the foregoing submissions, the instant Petition was submitted for decision on January 7, 2025.

The Issue

The issue, as stipulated by the parties, is:

> WHETHER THE PETITIONER IS ENTITLED TO A REFUND OR ISSUANCE OF TAX CREDIT CERTIFICATE IN THE AGGREGATE AMOUNT OF PHP8,228,340.42 REPRESENTING ITS ALLEGED EXCESS AND UNUTILIZED INPUT VAT FOR Q2 TO Q4 OF TY 2020 ATTRIBUTABLE TO ZERO-RATED SALES.[34]

Arguments of the Parties

Petitioner's Arguments[35]

Petitioner insists that it is entitled to a VAT refund for TY 2020 in the amount of Php8,228,340.42, representing alleged unutilized and excess creditable input VAT attributable to zero-rated transactions.

Specifically, petitioner contends that it complied with all the requisites of a valid VAT refund application and submitted the documents required under *Section 112 (A) of the Tax Code,* as laid down by the Supreme Court in the case of *San Roque Power Corporation vs. Commissioner of Internal Revenue ("San Roque case"),*[36] to support its claim.

Respondent's Counter-Arguments[37]

The CIR, on the other hand, argues that petitioner's administrative claim for refund was filed in the wrong venue. Respondent highlights that petitioner was engaged in direct export as evidence by the latter's own attestation submitted to the BIR. Thus, according to respondent, the VAT refund application was out of the jurisdiction of RDO No. 53B-Muntinlupa City pursuant to *Revenue Memorandum Order (RMO) No. 47-2020* which

---

[32] Memorandum dated November 8, 2024, *id.* at 786-819.
[33] Memorandum (For the Respondent) dated November 14, 2024, *id.* at 822-830.
[34] See Pre-Trial Order, *id.* at 557.
[35] See Memorandum dated November 8, 2024, *id.* at 791-818.
[36] G.R. No. 180345, November 25, 2009.
[37] See Answer, Docket Vol. 1, pp. 441-442; see also Memorandum (For the Respondent) dated November 14, 2024, Docket Vol. 2, pp. 824-829.

states that for direct exporters whose VAT refund claims are anchored under *Section 112(A) of the Tax Code*, as amended, the application for VAT refund or tax credit shall be received and filed at the VAT Credit Audit Division (VCAD). Respondent likewise advances that Revenue Memorandum Circular *(RMC) No. 17-2018* provides that all claims by direct exporters shall be filed and processed by VCAD and accordingly, the docket shall be reviewed by the Tax Audit Review Division (TARD).

Further, respondent argues that petitioner is not entitled to its claim for refund as it failed to comply with the invoicing and accounting requirements under *Section 113 (A) and (B) of the Tax Code*. He highlights that as shown in the ICPA report, though the classification of sales were services, petitioner's supplier (more particularly Oilserve Trading) issued both Invoices and Official Receipts for the same transaction which is in violation of the invoicing requirements under the said law.

Also, after insisting that petitioner must show compliance with *Section 15(g) of RA No. 9513*, or the *Renewable Energy Act*, and *Sections 106(A)(2)(a)(1), 108(B)(2), 110(B), 112(A) and (C) of the Tax Code*, respondent emphasizes that this case, being a tax refund, partakes of the nature of a tax exemption, thus should be construed *strictissimi juris* against the entity claiming the refund and in favor of the taxing power. According to respondent, taxpayer must positively show compliance with the statutory requirements in order to successfully pursue a refund claim.

The Ruling of the Court

The Court lacks jurisdiction over inaction of the CIR on administrative claim for VAT refund under TRAIN

Before delving into the merits of petitioner's refund claim, it is imperative for the Court to first determine whether jurisdiction over the subject matter has been properly conferred. While We note that such issue on jurisdiction was not raised by either party, it remains imperative for Us to rule on the same.

At the outset, it bears mentioning that the *Revised Rules of the Court of Tax Appeals ("RRCTA")*,[38] specifically *Section 1, Rule 14* thereof, expressly authorizes the CTA to rule on issues beyond those stipulated by the parties if the same would be necessary to achieve the orderly disposition of a case, to wit:

Section 1. Rendition of judgment. –

[38] A.M. No. 05-11-07-CTA, 22 November 2005.

. . .

> In deciding the case, the Court may not limit itself to the issues stipulated by the parties but may also rule upon related issues necessary to achieve an orderly disposition of the case.

Needless to state, to obviate the possibility that its decision may be rendered void, the Court can, by its own initiative, raise the question of jurisdiction, although not raised by the parties.

It should be recalled that the CTA is a court of special jurisdiction and can thus take cognizance only of such matters as are clearly within its jurisdiction.[39] Corollary thereto, to inquire into the existence of jurisdiction over the subject matter is the primary concern of the Court, for thereon would depend the validity of its entire proceedings.

Jurisdiction is defined as the power and authority of a court to hear, try, and decide a case. In order for the court or an adjudicative body to have authority to dispose of the case on the merits, it must acquire, among others, jurisdiction over the subject matter.[40]

Jurisprudence has defined jurisdiction over the subject matter as "the power to hear and determine cases of the general class to which the proceedings in question belong."[41] It is conferred by law which may either be the Constitution or a statute.[42] Thus, mere consent or acquiescence of any or all of the parties should not be tantamount to vesting upon the court the power to rule on the merits.

In the instant case, petitioner filed the appeal pursuant to *Section 7(a)(2) of RA No. 1125,* as amended by *RA No. 9282*, which grants the CTA the authority to exercise exclusive appellate jurisdiction over certain cases involving inaction of the CIR, to wit:

> Sec. 7. Jurisdiction. – The CTA shall exercise:
>
> a. Exclusive appellate jurisdiction to review by appeal, as herein provided;

. . .

---

[39] Commissioner of Internal Revenue vs. Court of Tax Appeals – Third Division, G.R. No. 239464, May 10, 2021.

[40] Mitsubishi Motors Phils. Corp. v. Bureau of Customs, G.R. No. 209830, June 17, 2015.

[41] City of Lapu-Lapu vs. Philippine Economic Zone Authority, G.R. No. 184203, November 26, 2014, as cited in the case of National Food Authority vs. City Government of Kidapawan, G.R. No. 236114, June 14, 2023.

[42] *Id.*

> 2. Inaction by the Commissioner of Internal Revenue in cases involving disputed assessments, refunds of internal revenue taxes, fees or other charges, penalties in relations thereto, or other matters arising under the National Internal Revenue Code or other laws administered by the Bureau of Internal Revenue, where the National Internal Revenue Code provides a specific period of action, in which case the inaction shall be deemed a denial;

In relation thereto, *Section 11 of RA No. 1125,* as amended by *RA No. 9282*[43] provides that the appeal with the CTA must be done within 30 days after the receipt of the adverse decision or ruling of the CIR, or *after the expiration of the period fixed by law for action* as referred to in *Section 7(a)(2)* as cited above.

Petitioner now advances that the CIR's period to act on the refund claim has expired, invoking *Section 112 of the Tax Code*, as amended by *RA No. 10963* or the *Tax Reform for Acceleration and Inclusion* ("TRAIN"),[44] which generally governs claims for refund or issuance of a tax credit certificate of excess or unutilized creditable input VAT attributable to zero-rated sales, like the present petition, which states:

> SEC. 112. *Refunds or Tax Credits of Input Tax.* –
>
> (A) Zero-rated or Effectively Zero-rated Sales. – ***Any VAT-registered person***, whose ***sales are zero-rated or effectively zero-rated may, within two (2) years after the close of the taxable quarter when the sales were made,*** apply for the ***issuance of a tax credit certificate or refund of creditable input tax due or paid attributable to such sales, except transitional input tax, to the extent that such input tax has not been applied against output tax***: Provided, however, That in the case of zero-rated sales under Section 106(A)(2)(a)(1), (2) and (b) and Section 108(B)(1) and (2), the ***acceptable foreign currency exchange proceeds thereof had been duly accounted for in accordance with the rules and regulations of the Bangko Sentral ng Pilipinas (BSP):*** Provided, further, That where the taxpayer is engaged in zero-rated or effectively zero-rated sale and also in taxable or exempt sale of goods 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.
>
> . . .

---

[43] SEC. 11. Who May Appeal; Mode of Appeal; Effect of Appeal. - Any party adversely affected by a decision, ruling or inaction of the Commissioner of Internal Revenue, the Commissioner of Customs, the Secretary of Finance, the Secretary of Trade and Industry or the Secretary of Agriculture or the Central Board of Assessment Appeals or the Regional Trial Courts may file an appeal with the CTA within thirty (30) days after the receipt of such decision or ruling or after the expiration of the period fixed by law for action as referred to in Section 7(a)(2) herein. x x x

[44] Effective January 1, 2018.

> (C) Period within which Refund or Tax Credit 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.

While it is clear from *Sections 7(a)(2) and 11 of RA No. 1125,* as amended by *RA No. 9282* that an inaction of the CIR may be the basis of an appeal, controversy arose when *Section 112(c) paragraph 2 of the Tax Code* was amended by *TRAIN* essentially putting into issue whether an inaction specific to VAT refund claim is properly appealable to the CTA. The same provision was later on amended by *RA No. 11976 or the Ease of Paying Taxes Act* ("EOPTA").[45]

The three relevant versions of the paragraph are quoted below:

NIRC	***TRAIN***	***EOPTA***
In case of full or partial denial of the claim for tax refund or tax credit, or the failure on the part of the Commissioner to act on the application within the period prescribed above, the taxpayer affected may, within thirty (30) days from receipt of the decision denying the claim or after the expiration of the one hundred twenty-day period, appeal the decision or the unacted claim with the Court of Tax Appeals.	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 Bureau of Internal Revenue to act on the application within the ninety (90)-day period shall be punishable under Section 269 of this Code.	In case of full or partial denial of the claim for tax refund, or the failure on the part of the Commissioner to act on the application within the period prescribed above, the taxpayer affected may, within thirty (30) days from the receipt of the decision denying the claim or after the expiration of the ninety (90)-day period, appeal the decision with the Court of Tax Appeals: Provided, however, That failure on the part of any official, agent, or employee of the Bureau of Internal Revenue to act on the application within the ninety (90)-day period shall be punishable under Section 269 of this Code.

[45] Effective January 22, 2024.

Significantly, *TRAIN* removed (i) the phrase "or the failure on the part of the CIR to act on the application within the period prescribed above" as a condition for raising an appeal to this Court; and (ii) the phrase "or after the expiration of the one hundred twenty day-period" as a reckoning point for the 30-day period for filing such an appeal. It instead added a new provision instituting administrative punishment for such failures to act on claims for refund while shortening the 120-day period to 90 days. *EOPTA*, meanwhile, reinserted the deleted phrases into the provision, while retaining the new 90-day period and the part about administrative punishment.

Based, however, on the reasons enumerated and further discussed below, We find that under the *TRAIN* amendment of *Section 112 (c) of the Tax Code*, the CIR's inaction on claims for VAT refund cannot be appealed to the CTA.

a. There is no "good" case law on *Section 112(c)* of the pre-TRAIN Tax Code that is fully applicable to the relevant TRAIN amendment.

b. The disallowance of appeal on inaction can be reasonably inferred through the use of the following rules on statutory construction.

    i. A plain reading of the law and the amendment thereto suggests that the removal of the pertinent remedy on inaction was intentional.

    ii. As a general rule, special law prevails over a general law. *Section 112 (c) of the Tax Code* governs judicial claims for VAT refunds, making it a special law. On the other hand, *Section 7(a)(2) of RA 1125* deals with cases filed before the CTA from inaction so the CIR in general, making it a general law. Thus, the specific period of action under *Section 112 (c) of the Tax Code* and the corresponding removal of the remedy of appeal on inaction prevails over the "deemed denial" provision under *RA 1125*.

    iii. Even assuming *arguendo* that *RA 1125* is a special law and although repeal by implication is generally not favored, an exception to the latter rule is when the repeal is "manifestly intended by legislature." As will be discussed later, it appears that the drafters of *TRAIN* intended to remove the "deemed denied" provision.

a. There was no applicable Supreme Court jurisprudence which deals with the Section 112(c), as amended by TRAIN.

Prior to the amendments introduced by TRAIN, the mandatory and jurisdictional nature of *Section 112(c)* was categorically upheld by the Supreme Court in the case of *Silicon Philippines, Inc. v. Commissioner of Internal Revenue*[46] ("*Silicon*") citing *Commissioner of Internal Revenue vs. San Roque Power Corporation*[47].

Notably, however, there does not seem to be any clear basis for claiming that *Silicon* is still good case law even under *TRAIN*. From the effectivity of *TRAIN* on January 1, 2018, there is only a handful of cases promulgated by the Supreme Court which deals with *Section 112(c) of the Tax Code* – none of which tackles administrative refund claims filed under *TRAIN*.[48]

In the case of *Energy Development Corporation v. Commissioner of Internal Revenue*[49] ("*EDC*") which involves a refund claim for taxable year 2007 filed in 2009, the Supreme Court simply observed that *TRAIN* removed the confusion on the reckoning period for judicial claims by legislating a "singular action" for the CIR to decide on the administrative claim for refunds within the 90-day period. It, however, says nothing on a 90+30-day period. This, in addition to the fact that the said statement made by Supreme Court is mere obiter, makes the case unable to serve as justification for applying *Silicon* and similar jurisprudence on the pre-*TRAIN* version of *Section 112(c) of the NIRC* to cases governed by *TRAIN*.

Considering this, and the continued lack of pronouncements by the High Court on this specific issue, We deem it proper to rely on the law itself and the stated intentions behind it.

b. i. A plain reading of Section 112(c), as amended by TRAIN suggests that the removal of the pertinent remedy on inaction was intentional.

Without any jurisprudence that directly addresses the issue at hand, We must now focus first on *TRAIN* as it was written, specifically the removal of any mention of the CIR's inaction or the expiration of the period for acting on VAT refund claims from *Section 112(c) of the NIRC*.

---

[46] G.R. No. 182737, March 2, 2016.

[47] G.R. Nos. 187485, 196113 & 197156, February 12, 2013.

[48] See Energy Development Corporation vs. Commissioner of Internal Revenue, G.R. No. March 17, 2021, VAT refund claim for taxable year 2007 filed in 2009; see also Taganito Mining Corporation vs. Commissioner of Internal Revenue, G.R. Nos. 219635-36, December 7, 2021, VAT refund claim for taxable year 2008 filed in 2009; see also Commissioner of Internal Revenue vs. CE Casecnan Water and Energy Company, Inc., G.R. No. 212727, February 1, 2023, VAT refund claim for taxable year 2008 filed in 2009; see also Commissioner of Internal Revenue vs. Vestas Services Philippines, Inc., G.R. No. 255085, March 29, 2023, VAT refund claim for the fourth quarter of taxable year 2013 filed in 2014; see also Commissioner of Internal Revenue vs. Dohle Shipmanagement Philippines Corporation, G.R. No. 246379, August 19, 2024, VAT refund claim for taxable year 2012 filed in 2014.

[49] G.R. No. 203367, March 17, 2021.

An amendment to a law that removes certain provisions must be treated as important. Drawing from the book *Statutory Construction* by Ruben E. Agpalo, the Supreme Court has decreed that "the deliberate selection of language differing from that of the earlier act on the subject indicates that a change in the meaning of the law was intended"[50] and that an amendment to a statute should not be treated as "mere semantic exercise" but must instead be seen as expressing some purpose, which must be given effect.[51] In other words, a change made to the language used in a law must be understood as a change in the law itself.

To be even more specific, the High Court, in the case of *Republic of the Philippines vs. St. Vincent de Paul Colleges, Inc.* [52] has held that:

> As a rule, an amendment by the ***deletion of certain words or phrases indicates an intention to change its meaning.*** It is presumed that ***the deletion would not have been made if there had been no intention to effect a change in the meaning of the law or rule.*** The amended law or rule should accordingly be given a construction different from that previous to its amendment.
> (Emphasis and italics supplied)

Based on the above, it becomes inevitable to view that the removal of a course of action previously provided by law was amended by *TRAIN* to no longer allow such. The explicit removal of the CIR's inaction as either a condition of raising an appeal or the reckoning point of the 30-day prescriptive period cannot be brushed aside. To treat the old option, of raising a judicial claim for refund from the CIR's inaction, as still available even after said removal, would be to treat *TRAIN*'s amendments to *Section 112(c)* as meaningless, effectively nullifying said changes.

Consequently, based on a plain reading of the law, as amended by *TRAIN*, a judicial claim could *not* be raised based on the CIR's inaction. A taxpayer's only option, as far as raising a judicial claim goes, was to await the CIR's decision.

b. ii. Section 112(c), as amended by TRAIN, is a special law which must prevail over Section 7(a)(2) of RA 1125, a law which generally applies on appeals to the CTA.

We are not unaware that the counterarguments against the foregoing interpretation of the *TRAIN's* amendment primarily invoke *Section 7(a)(2) of RA No. 1125* which states:

---

[50] Oceanmarine Resources Corporation v. Nedic, G.R. No. 236263, July 19, 2022.
[51] Akbayan v. Commission on Elections, G.R. Nos. 147066 & 147179, March 26, 2001.
[52] G.R. No. 192908, August 22, 2012, citing Laguna Metts Corporation v. Court of Appeals, G.R. No. 185220 (Resolution), July 27, 2009.

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

Drawing from the above, proponents argue that since *Section 112(c)* provides a "specific period for action" (i.e., 90 days), the expiration of the same is "deemed a denial."

We believe this to be mistaken.

Section 112(c) of the Tax Code, as amended by *TRAIN*, governs judicial claims for VAT refunds specially, making it a special law. On the other hand, *Section 7(a)(2) of the CTA Law* deals with cases filed before the CTA from inactions of the CIR in general, making it a general law. The former must therefore prevail over the latter.

Even assuming arguendo that the CTA Law is the special law, the position is still untenable. *Bank of Commerce v. Planters Development Bank*,[53] as later quoted by *First Philippine Holdings Corporation v. Securities and Exchange Commission*,[54] is instructive here:

> An implied repeal transpires when a substantial conflict exists between the new and the prior laws. In the absence of an express repeal, a subsequent law cannot be construed as repealing a prior law unless an irreconcilable inconsistency and repugnancy exist in the terms of the new and the old laws. Repeal by implication is not favored, *unless manifestly intended by the legislature*, or unless it is convincingly and unambiguously demonstrated, that the laws or orders are clearly repugnant and patently inconsistent with one another so that they cannot co-exist; *the legislature is presumed to know the existing law and would express a repeal if one is intended.*
> (Italics supplied.)

[53] G.R. Nos. 154470-71 & 154589-90, September 24, 2012.
[54] G.R. No. 206673, July 28, 2020.

From the above, later laws generally cannot be considered impliedly repealing a prior law. An exception exists, however, when such repeal is "manifestly intended by the legislature."

As will be discussed below, the drafters of *TRAIN* intended to remove the "deemed denied" provision from *Section 112(c) of the NIRC*, thus falling under the exception. Consequently, the "deemed denied" provision of *Section 7(a)(2) of the CTA Law* must be deemed to have been repealed during the effectivity of *TRAIN*, at least for cases involving *Section 112(c) of the NIRC*.

b. iii. The repeal is manifestly intended by legislature, as shown in the deliberations of the drafters of TRAIN.

Another source of clarity on the issue available to Us is the transcript of the consultative meeting, held on February 2, 2023, on EOPTA. While the meeting was for the drafting of *EOPTA* and not *TRAIN*, it is still enlightening for the present purposes as it specifically addresses the lack of a "deemed denied provision in *TRAIN*.

We shall first quote the pertinent portions of said transcript below, before focusing on specific statements when discussing them in more detail:

> **MR. MENESES.** If the Chair can just allow us to go back to Section 112? Because I think there may be something that we have missed and to correct something that the TRAIN Law … [two words deleted from the record upon the request of Mr Meneses].
>
> This is one issue that is constantly raised by practitioners in terms of the inaction by the commissioner after the lapse of the 90-day period whether you can file already with the Court of Tax Appeals or not. And this was … [two words deleted from the record upon the request of Mr. Meneses] … by the TRAIN Law.
>
> So, if we can—kasi the thing is that, I missed it out. And, in fact, I missed it out even before because we were looking only at Section 112(c) where it says that, "In case of full or partial denial of the claim for tax refund, the taxpayer affected may, within 30 days from the receipt of the decision denying the claim, appeal the decision with the Court of Tax Appeals." And then the TRAIN Law just provided a penalty in case the BIR officer fails to act upon the claim for refund.
>
> In the original wording of the Tax Code, it says here that, "In case of full or partial denial of the claim for tax refund or tax credit, the failure on the part of the Commissioner to act upon the application within the period above, the taxpayer affected may, within 30 days from receipt of the decision denying the claim or after the expiration of the 120 days," and now 90 days, "appeal the decision of the unacted claim with the Court of Tax Appeals."

So, if we can include now that proviso that "within 30 days from receipt of the decision denying the claim or after expiration of the 90-day period, appeal the decision or the unacted claim with the Court of Tax Appeals," that is to clearly clear the matter that was inadvertently deleted[55] by the TRAIN Law.

. . . .

MR. DASCIL. I guess, with due respect to our legislator, I was present during the deliberation and even in the final discussion. There was no inadvertence, deletions, or omission on the part of our legislator. *If you read the provision, there is a mechanism in order the taxpayer[56] should go to the Court of Tax Appeals. It provides that, "In case of a full or partial denial of the claim for tax refund, the taxpayer affected may, within 30 days from the receipt of the decision denying the claim, appeal the decision with the Court of Tax Appeals." So, the mechanism was put by our legislators.*

And, subsequently, in the discussion, the provisions of the Court of Tax Appeals on mechanism for motion for reconsideration and other legal remedies are considered as a part of the Taxpayer Bill of Rights.

. . . .

MR. PAYAPAG. Mr. Chair, if you can see the provisions of the Tax Code, *the reckoning is the 30 days upon receipt of the decision whether it is within the 90 days period or not.*

MR. GRACIA. Yes.

MR. PAYAPAG. The law provides for an administrative penalty for the erring employees of the bureau in case that the 90 days period has not been observed.

So, the reckoning point now is, if you receive a decision denying your application, then you have 30 days to appeal to the CTA. *So, ang reckoning point nga is regardless whether it is within the 90 days period or after, as along as there is a decision, that is the reckoning point na iakyat natin sa CTA.*

Actually po, if we can see, the intention is—*dati kasi nagkaroon ng inaction, na nagkakaroon ng confusion sa side ng taxpayer whether, "May 30 days pa ba ako to appeal or wala na?" So, to clear that po and to shorten the process of refund, nag-focus po si law doon sa erring employees na if you failed to process that within the 90 days period, you are administratively liable.*

But with respect to the remedies of the taxpayer, *if you receive a decision, whether it is beyond the 90 days, you have 30 days to appeal before the Court of Tax Appeals po.*

MR. GARCIA. So, Atty. Jason, what if there is no decision within the 90 days? You mean to say that right now we should wait for the decision of the CIR before we go to the Court of Tax Appeals?

---

55 This instance of the phrase was left in the transcript, despite Atty. Meneses' later request.
56 *Sic.*

Because, I think, previously, ang ano ata before is, iyong 120 days is kung wala, you can already go up to the Court of Tax Appeals. I think that is where the confusion lies with our practitioners. Kasi previously, I think, it was clear that after the 120 days, if there is inaction, you can already go to the Court of Tax Appeals.

MR. PAYAPAG. Yes, Mr. Chair. The word of the law is the, "the taxpayer affected within 30 days from the receipt of the decision." So, the decision is not limited whether—*Basta't parang ang naging reckoning point ng law is, if you receive, whether it is not beyond the 90 days period, you may appeal to the Court of Tax Appeals.*

. . . .

MR. DASCIL. *Actually, Senator, during the deliberation, if they will look at provisions of 269, may idinagdag po doon na paragraph (j), "Deliberate failure to act on the application for refunds within the prescribed period provided under Section 112 of this Act."*

So, if you read the transcripts and if you read faithfully the concept of TRAIN, mas binigyan pa nga ng leeway iyong taxpayer, kasi dati 120 days, it was lowered to 90 days. Then you only file your appeal to the Court of Tax Appeals after the lapse of 120 days.[57] But in this concept, the taxpayer, within the 90 days, kung nakatanggap ka ng denial in 30 days, you go directly to the Court of Tax Appeal;[58] 60 days, you go directly; 90 days, wala, the action is a deliberate failure on the part of the BIR employees or its—then you go directly to the Court of Tax Appeal.[59] The mechanism was there.

MS. MARCELO. Sir, I think the problem is, iyong ina-address po ng practitioners natin, there is a scenario po kasi na BIR does not issue a decision at all. So, doon po sila at a loss what to do in the case na walang decision, whether approval or denial. Kasi it really happens. I actually experience it na wala talagang natanggap na decision iyong taxpayer after the 90 days. And the CTA cannot acquire jurisdiction over the refund kung walang deemed denial provision, unlike before. Kasi before, malinaw, basta mag-lapse iyong 120-days, deemed denial. Ngayon, tinanggal kasi iyong provision na iyon. So, the taxpayer is confused. Mayroon bang jurisdiction iyong CTA kapag walang action at all, walang approval, walang denial? So, I think that is what Atty. Delos Santos is pointing out. Can we provide a deemed denial provision again after the 90 days? Iyon po iyong point of contention, I think.

. . . .

MR. NAPAO. Mr. Chair, if I may comment?

The Tax Code points to a VAT refund system. *It is a deliberate design* that took effect only after meeting the requirements in the TRAIN Act. . .

. . . .

---

[57] Note that this incorrect: under the pre-*TRAIN Tax Code*, a taxpayer could also raise a judicial claim if it received an adverse decision within the 120-day period. The lapse of said period was not the *only* time a taxpayer can file an appeal, contrary to what is claimed and implied here.

[58] *Sic.*

[59] *Sic.*

MR. MENESES. Under the current provision, there are only two options. Either you wait. Sabi naman ng BIR, they make the decision within 90 days. So, supposed to be from the BIR's perspective, there will never be a point in time where the decision will not be made within 90 days. If that 1 percent chance na they did not act upon after 90 days, the only other option is for you to file an administrative case. From our perspective, wala namang talo ang BIR. Because if the BIR is saying that based on their current program, they will decide. All cases will be decided in 90 days. So that option on the part of the taxpayer, that deemed denial option, will never happen. There will never be a chance. If the BIR is saying that, "Yes, we will resolve everything in 90 days because that is our program," then that deemed denial situation will never happen.

MR. DASCIL. Senator, sorry for being passionate. But with due respect also, I need to defend the integrity of the Senate on the word "inadvertence" because *there was no inadvertence*. If we are here to provide for the ease of paying taxes, let's have compromise, but not to diminish the integrity of this institution.

. . . .

MR. DASCIL. If we really want to have ease of paying taxes, the compromise may be taking into account the taxpayers and the advocacy of our Chair to protect also the taxpayer balancing the intent of our government to earn money.

I guess we should provide a proviso providing that, "Provided, finally in case of inaction, the provisions of ease of doing business there is a clear provision on denial—deemed denial." How many days can be considered in this bill? There should be a proviso. And, I guess, there is a mechanism along that line. And I guess the BIR will agree.

. . . .

MR. PAYAPAG. Mr. Chair, ang nagiging ano lang po, wala naman din po sa amin ang problema kung ilagay iyong "deemed denial." Ang problema po dito is kailan masasabing it is considered as deemed denied. Kumbaga po, halimbawa, within 90 days upon the application—kasi ito po iyong dating bill, iyong dating law na within 120 days days if the commissioner failed or nagkaroon ng inaction, iyong application mo is deemed denied. *Experience po namin is nagiging problema rin po sa taxpayer pag-akyat na nila sa CTA dala iyong records. Kapag minsan iyong one day lang na hindi mo nai-appeal na pumasok iyong 30 days, puwede na siyang i-deny—iyong appeal mo. Unlike po doon sa current provisions ng tax law, maliwanag na kapag na-receive mo, from the date of receipt, you have 30 days to appeal.*

With respect po doon sa 90 days processing po kasi, we assure po, Mr. Chair, na napa-process po namin siya within 90 days. Kasi doon sa current law natin, may penalty provision na po.

And second, siguro ang nagko-cause lang din po ng delay, halimbawa po, doon sa granted na refund is iyong funding. Iyon na naman din po iyong nagiging ano namin, sa funding na rin po kapagiyong mga cash refund. Pero the decision within a 90-day period, especially the denial, in line with the purpose of this ease of paying taxes is baka kasi po—what if iyong normal lang na taxpayer na wala po siyang—cannot afford na kumuha ng consultant or representative, kailan ko sasabihin na deemed denied na iyong refund na in-apply ko sa Bureau of Internal Revenue? Kasi kung mayroon po siyang lawyer or representative, pwede nilang ilaban na "O, pumasok pa siya sa 30 days' appeal." *Iyon po iyong parang—at least po dito kasi naka-fix na po tayo. Kung kailan mo ma-receive iyong decision ni CIR, you have 30 days na iakyat na po siya kay CTA.*

Thank you po, Mr. Chair.

THE CHAIRPERSON. . . .

So just to resolve this and move forward, we are inclined to adopt the "deemed denial" provision, subject to style na lang. But the concept there, Attorney, is—ako, the simple concept, after 90 days, no decision, that is already deemed denied. It is the option now of the taxpayer within 90 days to bring it up. If you do not want to bring it up, bahala ka na. If you want to file an administrative case, bahala ka na. If you want to wait further, you have 30 days to wait further. . . .
[Italics supplied.]

Reading through the transcript, the Court notes two members of the committee who seem directly knowledgeable on *TRAIN*: Atty. Jason R. Payapag, Assistant Chief of the BIR's Assessment Division, and Atty. Rodelio T. Dascil, Director General of the Senate Tax Study and Research Office. Both had much to reply to a perceived issue in *Section 112(c) of the NIRC*, as specifically amended by *TRAIN*.

That *TRAIN* no longer included a "deemed denied" provision is most directly seen in Atty. Payapag's repeated insistence that the 30-day reckoning point for appealing the CIR's denial is the taxpayer's receipt of the decision. Note that Atty. Payapag characterizes receipt of the denial as *the* reckoning point and *not* just one reckoning point among multiple, directly using articles such as "the" or "ang" and not using language that would imply multiple or other reckoning points. This implies that receipt of the decision is the *only* reckoning point under *TRAIN*, which naturally excludes treating the lapse of the 90-day period as such.

The Court further gleaned from Atty. Payapag's discussions that there are two identified reasons which support the lack of "deemed denial" provision in the *TRAIN*.

First, the removal of the "deemed denied" provision addresses the confusion among taxpayers as to whether there still remains 30 days from the lapse of the CIR's period to act within which to appeal the deemed denial, or if the appeal had to be raised immediately ("*May 30 days pa ba ako to appeal or wala na?*"). In other words, when faced with the letter of the law alone, taxpayers may not have been sure if the 30-day grace period applied to the lapse of the 120-day period as well. Case law tells us that taxpayers had a full

120+30-day period under the pre-*TRAIN Tax Code*,[60] but this might not be immediately evident to the "normal lang na taxpayer" who possibly "cannot afford na kumuha ng consultant or representative." The stated solution to this, a "*singular* action" instituted by *TRAIN*, would thus be the *singular*, not multiple, period for filing judicial claims: 30 days from receipt of a denial.

Second, Atty. Payapag seems to imply that the CIR will *never* fail to act on an administrative claim within the 90-day period. The idea here is that because of the threat of administrative penalties, and because of the streamlined procedure for processing VAT refund claims, all such claims would be decided upon within the 90-day period. This once again implies that *TRAIN* does *not* recognize raising an appeal from the CIR's inaction on a claim: the provision assumes that such inaction will never occur. It consequently does not provide any remedies for it, which would be unnecessary. The law need not provide a solution to a problem that (in theory) never occurs, after all.

Complicating this stance somewhat is one of Atty. Dascil's defenses of *TRAIN*, found near the midpoint of the transcript:

> **MR. DASCIL.** Actually, Senator, during the deliberation, if they will look at provisions of 269, may idinagdag po doon na paragraph (j), "Deliberate failure to act on the application for refunds within the prescribed period provided under Section 112 of this Act."
>
> So, if you read the transcripts and if you read faithfully the concept of TRAIN, mas binigyan pa nga ng leeway iyong taxpayer, kasi dati 120 days, it was lowered to 90 days. Then you only file your appeal to the Court of Tax Appeals after the lapse of 120 days. But in this concept, the taxpayer, within the 90 days, kung nakatanggap ka ng denial in 30 days, you go directly to the Court of Tax Appeal; 60 days, you go directly; 90 days, wala, the action is a deliberate failure on the part of the BIR employees or its— then you go directly to the Court of Tax Appeal. The mechanism was there.

The ending statement in this quote seems to imply that, under *TRAIN*, a taxpayer can, in fact, go to the CTA if the CIR fails to render any decision after 90 days: "90 days, wala. . . then you go directly to the Court of Tax Appeal[s]."

This does not seem to be consistent, however. Atty. Dascil's statement here emphasizes that the lack of a rendered decision within the 90-day period is a "deliberate failure on the part of the BIR employee." It is also based on *TRAIN*'s addition of *Section 269(j)* to the *NIRC*, which covers administrative punishments for erring BIR employees, considering that Atty. Dascil started his statement by pointing out said addition. In short, it still characterizes the

[60] See, for example, *Commissioner of Internal Revenue v. Dohle Shipmanagement Philippines Corporation*, G.R. No. 246379, August 19, 2024, citing *Pilipinas Total Gas, Inc. v. Commissioner of Internal Revenue*, G.R. No. 207112, December 8, 2015.

lapse of the 90-day period as a failure, subject to disciplinary action, but *not* necessarily as a denial that can be appealed before the CTA. And as this Court does not have jurisdiction over administrative punishments for BIR employees, the taxpayer could not, in fact, go to the CTA when no decision was rendered after 90 days.

A final point to note is that both Atty. Payapag and Atty. Dascil eventually agreed to include the "deemed denied" provision in *EOPTA*:

> **MR. DASCIL.** If we really want to have ease of paying taxes, the compromise may be taking into account the taxpayers and the advocacy of our Chair to protect also the taxpayer balancing the intent of our government to earn money.
>
> I guess we should provide a proviso providing that, "Provided, finally in case of inaction, the provisions of ease of doing business there is a clear provision on denial—deemed denial." How many days can be considered in this bill? There should be a proviso. And, I guess, there is a mechanism along that line. And I guess the BIR will agree.
>
> . . . .
>
> **MR. PAYAPAG.** Mr. Chair, ang nagiging ano lang po, wala naman din po sa amin ang problema kung ilagay iyong "deemed denial."

By agreeing to add a "deemed denied" provision to *Section 112(c)*, both Atty. Payapag and Atty. Dascil acknowledge that *TRAIN*'s version of the section *omitted* such a provision. It would not need to be added to *EOPTA* if it were included in *TRAIN*, after all. Said law, therefore, lacked any "deemed denied" provision.

All told, the comments of those involved in the drafting and implementation of *TRAIN* show that said bill did, indeed, remove the "deemed denied" provision from *Section 112(c) of the NIRC* and that said removal was intentional and deliberate.

Applying the foregoing to the case at hand, We therefore find that the Court lacks jurisdiction on the present subject matter. To recall, petitioner has not received any decision on its administrative claim for refund. It thus becomes erroneous to raise an appeal to this Court when, as extensively discussed above, an inaction on the part of the CIR in deciding a VAT refund claim should not be perceived as a "deemed denial" appealable to Us, in light of the revisions introduced by *TRAIN*.

Inevitably, the present Petition must be dismissed.

Petitioner failed to file a valid administrative claim for refund with the proper office of the BIR

Assuming that the Court may properly acquire jurisdiction over the instant Petition, We find petitioner non-compliant with the requirements for pursuing a VAT refund claim.

To recall, *Section 112 (A) of the Tax Code*, as amended, mandates that the administrative claim with the BIR be filed within two years after the close of the taxable quarter when the pertinent zero-rated sales were made.

Here, the refund claim was filed with RDO 53-B Muntinlupa City. We, however, agree with respondent that the application should have been filed with VAT Credit Audit Division (VCAD). Under *TRAIN*, several issuances were released by the BIR to update the guidelines and procedures in the processing of VAT refund claims. These include *Revenue Regulations No. 13-2018*,[61] *Revenue Memorandum Circular No. 17-2018*,[62] *RMC No. 47-19*,[63] and *Revenue Memorandum Order No. 47-20*.[64] Portions of foregoing issuance relative to the venue of filing are quoted below:

> *RR No. 13-2018*
>
> Section 2. Amendments –
>
> . . .
>
> SEC. 4.112.1. Claims for Refund/Credit of Input Tax. –
>
> . . .
>
> (c) Where to file the claim for refund/credit
>
> Claims for refunds shall be filed with the appropriate Bureau of Internal Revenue (BIR) Office (Large Taxpayers Service (LTS), Revenue District Office (RDO)) having jurisdiction over the principal place of business of the taxpayer. Claims for input tax refund of direct exporters shall be exclusively filed with the VAT Credit Audit Division (VCAD).

---

61 Regulations Implementing the Value-Added Tax Provisions under the Republic Act (RA) No. 10963, or the "Tax Reform for Acceleration and Inclusion (TRAIN)." Further Amending Revenue Regulations (RR) No. 16-2005 (Consolidated Value-Added Tax Regulations of 2005), as Amended, dated March 15, 2018.

62 Amending Revenue Memorandum Circular (RMC) No. 89-2017 and Certain Provisions of RMC No. 54-2014 Regarding the Processing of Claims for Issuance of Tax Refund/Tax Credit Certificate (TCC) in Relation to Amendments Made in the National Internal Revenue Code of 1997, as Amended by Republic Act No. 10963, Known as the Tax Reform for Acceleration and Inclusion (TRAIN), dated February 27, 2018

63 Revised Guidelines and Mandatory Requirements for the Processing and Grant of Value-Added Tax (VAT) Refund Claims within the 90-day Period Pursuant to Section 112 of the Tax Code of 1997, as Amended, dated April 16, 2019.

64 Consolidated and Updated Guidelines and Procedures on the Processing of Claims for Value-Added Tax Credit/Refund Except Those Under the Authority and Jurisdiction of the Legal Group, dated November 24, 2020.

(Underscore from the original)

RMC 17-2018

I. Claims for value-added tax (VAT) refund

. . .

B. Claims for VAT refund by direct exporters

1. ***All claims by direct exporters shall be filed with and processed by the VAT Credit Audit Division (VCAD),*** including direct exporters under the jurisdiction of the LTS.

2. The Tax Audit Review Division (TARD) shall review the docket with report on claims processed by the VCAD prior to approval of the claim. (Emphasis and italics supplied)

RMC No. 47-19

I. General Policies

. . .

2. The "Application for VAT Credit/Refund Claims" (BIR Form No. 1914) shall be received by the processing offices, to wit:

a. ***For direct exporters, regardless of the percentage of export sales to total sales*** and whose claims are anchored under Section 112(A) of the Tax Code of 1997, as amended, the claim shall be filed at the ***VAT Credit Audit Division (VCAD)***.
(Emphasis and italics supplied)

RMO No. 47-20

II. POLICIES

. . .

2. The processing offices authorized to receive "Application for VAT Credit/Refund Claims" (BIR Form No. 1914) are as follows:

a. ***The VAT Credit Audit Division (VCAD) in the National Office shall receive claims of direct exporters regardless of the percentage of export sales to total sales*** and whose claims are anchored under Section 112 (A) of the Tax Code of 1997, as amended, with the exception of the claims with a mix of VAT zero-rated sales emanating from sales of power or fuel from renewable energy sources pursuant to Section 108 (B) (7) of the Tax Code of 1997, as amended;
(Emphasis and italics supplied)

Gleaning from the foregoing, it is clear that claims for refund of direct exporters must be filed with VCAD, not with the Revenue District Office. The term "direct exporter," however, is not defined under the *Tax Code* or by the relevant BIR issuances. Due to such absence of a specific statutory definition, and without contradicting the other provisions of the same law, words must be given their plain, ordinary and literal meaning – a well-established rule of statutory construction.

"Direct export" is defined as a "situation in which a company sells its products directly to customers in another country without using another person or organization to make the arrangements for them."[65] Consistent thereto, *RMC No. 47-19* and *RMO No. 47-20* appear to clarify the scope of "direct exporters" by indicating *regardless of percentage of export sales to total sales*.

Thus, for purposes of determining where to file a claim, it only becomes necessary to ascertain whether a taxpayer-claimant directly exports its products to another country (except for those emanating from sales of power or fuel from renewable energy, as provided by *RMO No. 47-20*).

As for the present case, the Petition itself alleges the VAT refund claim include (i) sales to renewable energy developers, amounting to Php116,973,665.63 and (ii) export sale of goods to non-resident affiliates, amounting to Php14,072,589.64. In discussing claims under the latter category, petitioner invoked *Section 106 of the Tax Code* and highlighted that the transactions involve "sale and actual shipment of goods from the Philippines to a foreign country."

Clearly, petitioner's administrative claim should have been filed with VCAD, not RDO 53-B Muntinlupa City. As such, the same is deemed as not made nor filed as a result of its filing with the wrong venue.

ACCORDINGLY, premises considered, the instant Petition for Review is hereby **DISMISSED** for lack of jurisdiction.

SO ORDERED.

MARIA ROWENA MODESTO-SAN PEDRO
Associate Justice

---

[65] See Cambridge Dictionary https://dictionary.cambridge.org/us/dictionary/english/direct-export (visited December 16, 2025).

WE CONCUR:

With Separate Opinion
MA. BELEN M. RINGPIS-LIBAN
Presiding Justice

I concur as to the result only
CORAZON G. FERRER-FLORES
Associate Justice

CERTIFICATION

Pursuant to Article VIII, Section 13 of the Constitution, 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

REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

SECOND DIVISION

HALLIBURTON WORLDWIDE LIMITED- PHILIPPINE BRANCH
Petitioner,

- versus -

COMMISSIONER OF INTERNAL REVENUE,
Respondent.

CTA CASE NO. 11013

Present:
RINGPIS-LIBAN, *P.J.,*
MODESTO-SAN PEDRO, *and*
FERRER-FLORES, *JJ.*

Promulgated:
JAN 21 2026

x- -x

SEPARATE OPINION

RINGPIS-LIBAN, ***P.J.:***

I am of the firm belief that petitioner can appeal to this Court the respondent's inaction on petitioner's claim for refund.

Notwithstanding the change in the phraseology of Section 112(C)[1] on refunds or tax credits of input tax under Republic Act ("RA") No. 10963 or the Tax Reform for Acceleration and Inclusion ("TRAIN") Law, the taxpayer still should appeal to the Court of Tax Appeals ("CTA") the failure by the Commissioner of Internal Revenue ("CIR") to act on its administrative claim, if the period within which to act comes sooner than the issuance of the decision of denial.

[1] (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.

The Tax Code, as amended by the TRAIN Law cannot be read in isolation but must be interpreted in conjunction with Section 7(a)(2)[2] of RA No. 1125, as amended by RA No. 9282, which states that the CTA has jurisdiction over the inaction by the CIR on refunds of internal revenue taxes. More importantly, Section 7(a)(2) underscores the "deemed denied" principle, *i.e.*, where the National Internal Revenue Code of 1997 provides a specific period of action for the CIR, the latter's inaction shall be deemed a denial by operation of law.

Considering that Section 112(C) of the amendment in the TRAIN Law provides for a specific period of action or "within ninety (90) days from the date of submission", the CIR's inaction during the said period shall be deemed a decision of denial which can be elevated to the CTA. This doctrine was upheld in the landmark case of *Commissioner of Internal Revenue v. San Roque Power Corporation*[3], and has been the prevailing jurisprudence[4] ever since.

Moreover, treating the deletion of the phrase "or after the expiration of the 120-day [now 90-day] period, whichever is sooner" in the TRAIN Law as an express repeal of the deemed denial provision of the old law, will reduce the amended Tax Code to absurdity.

The law must protect both the interests of the government and taxpayer. Congress could not have intended for a taxpayer who administratively filed a claim for refund to stand at the mercy of the government, to wait forever for the CIR to issue a denial thereon for the former has no other judicial relief.

From all the foregoing, I vote for the **DISMISSAL** of the instant Petition for Review.

MA. BELEN M. RINGPIS-LIBAN
Presiding Justice

---

2 Sec. 7. Jurisdiction. - The CTA shall exercise:
a. Exclusive appellate jurisdiction to review by appeal, as herein provided:

xxx xxx xxx

2. Inaction by the Commissioner of Internal Revenue in cases involving disputed assessments, refunds of internal revenue taxes, fees or other charges, penalties in relations thereto, or other matters arising under the National Internal Revenue Code or other laws administered by the Bureau of Internal Revenue, where the National Internal Revenue Code provides a specific period of action, in which case the inaction shall be deemed a denial[.]

3 G.R. Nos. 187485, 196113 and 197156, February 12, 2013.

4 Commissioner of Internal Revenue v. Mindanao II Geothermal Partnership, G.R. No. 191498, January 15, 2014; Rohm Apollo Semiconductor Philippines v. Commissioner of Internal Revenue, G.R. No. 168950, January 14, 2015; Silicon Philippines, Inc. v. Commissioner of Internal Revenue, G.R. No. 182737, March 02, 2016; Aichi Forging Company of Asia, Inc. v. Court of Tax Appeals - En Banc, Et. Al., G.R. No. 193625, August 30, 2017; Steag State Power, Inc. v. Commissioner of Internal Revenue, G.R. No. 205282 (Resolution), January 14, 2019; Energy Development Corp. v. Commissioner of Internal Revenue, G.R. No. 203367, March 17, 2021.