REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE
Quezon City

Sections 98, 105, 179, and 188 of the Tax Code
BIR Ruling No. [DA-(C-244) 625-09] BIR Ruling No. DA-444-2005] BIR Ruling No. [DA-222-2005][1]
OT-312-2022
JUN 24 2022

PHILIPPINE AIRLINES, INC.
8F PNB Financial Center
Pres. Diosdado Macapagal Avenue
CCP Complex Pasay City

Attention: MR. NILO THADDEUS P. RODRIGUEZ
SVP / Chief Financial Officer

Gentlemen:

This refers to your request on behalf of Philippine Airlines, Inc. ("**PAL**") for confirmation of your opinion that:

1. the cancelled or impaired debt of PAL amounting to USD which resulted from its financial restructuring under a court supervised bankruptcy proceeding shall not give rise to any income tax, donor's tax, or any other type of taxes; and

2. a portion of which, the impairment and discharge of PAL's debt with Buona Sorte Holdings, Inc. ("**BSHI**") amounting to USD shall not give rise to donor's tax as there is no donative intent in the transaction.

Background:

PAL, with registered office address at 8F PNB Financial Center, Pres. Diosdado Macapagal Avenue, CCP Complex, Pasay City, is a domestic corporation primarily engaged in air transport of passengers and cargo within the Philippines and between the Philippines and several international destinations. It is 79.49% owned by PAL Holdings, Inc. ("**PHI**") as of December 31, 2021. On the other hand, PHI is 76.91% owned by Trustmark Holdings Corporation ("**THC**"), which in turn is 60% owned by BSHI and 40% owned by Horizon Global Investments, Ltd. ("**HGIL**"). Hence, BSHI is the ultimate parent of PAL. BSHI, THC and PHI were incorporated in the Philippines and part of the Lucio Tan Group of Companies, while HGIL was incorporated in British Virgin Islands.

On September 3, 2021, due to the devastating impact of the COVID-19 pandemic on the global aviation industry, PAL embarked on a comprehensive business and financial restructuring by filing a voluntary petition for relief under Chapter 11 of the U.S. Bankruptcy Code with the United States Bankruptcy Court for the Southern District of New York ("**US Court**") docketed as Case No. 21-15669 ("**Chapter 11 Case**"). The Petition is for PAL to be authorized to continue to operate its business and manage its operations as a debtor-in-possession ("**DIP**") pursuant to Sections 1107 and 1108 of the US Bankruptcy Code and pursue confirmation of the pre-arranged plan of reorganization to effect the contemplated resizing and

[1] Dated May 9, 2005, signed by then Commissioner Jose Mario C. Buñag

reshaping of its operations, permanent restructuring of its obligations and broad recapitalization.

On September 24, 2021, PAL also filed a petition under Republic Act (RA) No. 10142, otherwise known as the "Financial Rehabilitation and Insolvency Act (FRIA) of 2010" before the Regional Trial Court, National Capital Judicial Region, Branch 111, Pasay City ("**RTC-Pasay**"), seeking recognition of the Chapter 11 Case. In support of its application for provisional relief, PAL submitted an Order dated September 09, 2021 issued by the US Court confirming PAL's commencement of the Chapter 11 Case.

On October 13, 2021, PAL filed the Plan of Reorganization of Philippine Airlines, Inc. (the "**Plan**") and a Disclosure Statement before the US Court. The Plan includes, among others:[2]

a. reduction of PAL's aircraft related obligations by restructuring the terms and conditions of the lease agreements with respect to certain aircraft and engines, including PAL's obligations that will be implemented consistent with the terms and conditions set forth in the Plan Term Sheet of the restructuring supporting agreements ("**RSAs**") with its creditors;

b. infusion of $ million working capital to fund PAL's ongoing operations during the Chapter 11 Case of which, $ million will come from BSHI ("**DIP A Facility**") and $ million from PHI ("**DIP B Facility**"). On September 17, 2021, PAL and BSHI executed a DIP Credit Agreement relating to the DIP A Facility. Also, in various dates in year 2021, PAL and PHI executed the DIP Credit Agreement relating to the DIP B Facility.

c. maintenance and enhancement of PAL's key contracts and business partners to strengthen its viability during the pending COVID-19 pandemic; and

d. execution of commitments for up to $ million exit facility from new investors to ensure PAL has adequate available liquidity to complete its restructuring.

Under the RSAs with the respective creditors of PAL, the outstanding balances of the unsecured short-term loans will be settled through issuance of shares of PAL, subject to the US Court's confirmation of the Plan.[3]

On October 22, 2021, RTC-Pasay granted PAL's petition and rendered judgment (i) recognizing the Chapter 11 Case, and (ii) giving force and effect to the Chapter 11 Case and all court orders issued or may be issued by the US Court relating thereto.

On December 17, 2021, the US Court confirmed its approval of the Plan which calls for the conversion of all unsecured creditor loans/claims, including a portion of the $ million working capital received by PAL, to the extent of $ million from PHI, into new equity in PAL.

On December 31, 2021, PAL filed with the US Court a Notice of Effective Date and Entry Order (a) confirming PAL's Plan; and (b) Granting Related Relief before the US Court.

PAL received deposits amounting to $ and $ from BSHI in years 2021 and 2020, respectively, which was initially planned to be used for subscription of capital stock of PAL and was presented as "Deposits for Stocks Subscription" under noncurrent liabilities in the parent company statement of financial position as of December 31, 2019. In 2020, PAL withdrew its application for increase in authorized capital stock with the Securities and

[2] Per Note 2 of the AFS.
[3] Per Note 17 of the AFS.

Exchange Commission. Accordingly, the entire amount received from BSHI amounting to USD was reclassified as "Due to a stockholder" under "Reserves and Other Noncurrent Liabilities" in the parent company statement of financial position as of December 31, 2020.[4]

In 2021, as a result of the financial restructuring set forth in the Plan, BSHI condoned the amount due from PAL.[5] Also, since the US Court's approval of the Plan, PAL has been paying the unimpaired claims pursuant to the schedules contained in the Plan. On the other hand, the impaired claims are considered as cancelled debts which amounts to USD However, despite the cancelled debts, PAL remains insolvent or in a capital deficit position,[6] to wit:

	December 31, 2020 (Before the cancellation of debts)	December 31, 2021 (After the cancellation of debts)
Total Assets	$	$
Total Liabilities		
Capital Deficiency		

In reply, please be informed as follows:

Income Tax

Since this case involves an order from a US Court which was recognized by a Philippine Court, it must be noted that § 108 (a)(1)(A) and (B) of the Internal Revenue Code (IRC) of 1986 ("**IRC**")[7] states that discharge of indebtedness is excluded from gross income if, among others: (1) the discharge occurs in a title 11 case,[8] or (2) the discharge occurs when the taxpayer is insolvent, to *wit*:

> *"26 U.S. Code § 108 - Income from discharge of indebtedness*
>
> *(a) Exclusion from gross income*
>
> *(1) In general - Gross income does not include any amount which (but for this subsection) would be includible in gross income by reason of the discharge (in whole or in part) of indebtedness of the taxpayer if—*
>
> *(A) the discharge occurs in a title 11 case,*
> *(B) the discharge occurs when the taxpayer is insolvent, xxx"*

In connection therewith, in *Hopson v. Ill. Student Assistance Comm'n (In re Hopson)*,[9] the US Bankruptcy Court held that condonation or discharge of debt can be excluded from gross income for income tax purposes under the afore-quoted IRC provisions. The US Court ruled in this wise:

> *"The court is aware of the tax consequences of the repayment programs - that a debtor could face income tax liability for the amount forgiven at plan conclusion.* ***<u>Debtors can seek exclusion from gross income for income tax purposes the amounts forgiven. 26</u>***

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4 Per Note 16 of the AFS

5 Note 17 of the AFS.

6 Per Balance Sheet of PAL

7 It is the domestic portion of federal statutory tax law in the United States, and is under Title 26 of the United States Code (USC). The IRC has 11 subtitles, including income taxes, employment taxes, coal industry health benefits, and group health plan requirements. The implementing agency of IRC is the Internal Revenue Service (IRS).

8 Refers to Title 11 of the United States Code (relating to bankruptcy), but only if the taxpayer is under the jurisdiction of the court in such case and the discharge of indebtedness is granted by the court or is pursuant to a plan approved by the court.

9 588 B.R. 509 (Bankr. N.D. Ill. 2018)

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*U.S.C. §§ 108(a)(1)(A) and (B) which provide for exclusions from gross income for tax purposes of debts discharged in a chapter 11 case. Essentially, debtors can seek a bankruptcy discharge of this kind of tax debt after completion of the repayment plans. **Debtors can seek exclusion from gross income of the amounts forgiven if they get it discharged in a chapter 11 case or get it discharged while they are insolvent**. 26 U.S.C. §§ 108(a)(1)(A) and (B). See Greene v. U.S. Dept. of Educ., No. 4:13CV79, 2013 WL 5503086, at * 6, (E.D. Va. Oct. 2, 2013) ("Greene finally argues that the bankruptcy court should have accounted for the potential tax liabilities that she would incur once the 25 year repayment period is complete and her remaining loan balance is written off by DOE. The bankruptcy court correctly found that this argument is too speculative."), aff'd 573 F. App'x 300 (4th Cir. 2014)."* (Emphasis and underscoring supplied)

Likewise, in *Dallas Transfer & Terminal Warehouse Co. v. Commissioner*,[10] the US Supreme Court ruled that where an insolvent debtor conveys property to his creditors, or any of them, in full or partial satisfaction of his obligations, no taxable gain results if the debtor remains insolvent after the transfer.

If the discharge or condonation occurs in a title 11 case, the Internal Revenue Service ("**IRS**")[11] states that in order for the debt cancelled be excluded from the computation of gross income, the following conditions must be met:

1. the individual or corporation is under the jurisdiction of the court in the bankruptcy case; and

2. the discharge of indebtedness is granted by the court or is under a plan approved by the court.

In relation thereto, Section 19 of RA No. 10142 provides that taxes and fees due to the national government imposed upon the issuance of the commencement order and until the approval of the rehabilitation plan or dismissal of the petition, whichever is earlier, shall be considered waived, to *wit*:

*"Section 19. Waiver of Taxes and Fees due to the National Government and to Local Government Units (LGUs). - Upon issuance of the Commencement Order by the court, and until the approval of the **Rehabilitation Plan** or dismissal of the petition, whichever is earlier, the imposition of all taxes and fees, including penalties, interests and charges thereof, due to the national government or to LGUs **shall be considered waived,** in furtherance of the objectives of rehabilitation."* (Emphasis and underscoring supplied)

Section 4 (gg) of RA No. 10142 defines rehabilitation as follows:

"Section 4. Definition of Terms. - As used in this Act, the term:

xxx xxx xxx

*(gg) **Rehabilitation** shall refer to the restoration of the debtor to a condition of successful operation and solvency, if it is shown that its continuance of operation is economically feasible and its creditors can recover by way of the present value of payments projected in the plan, more if the debtor continues as a going concern than if it is immediately liquidated."* (Emphasis and underscoring supplied)

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[10] 70 F.2d 95 (5th Cir. 1934)

[11] The implementing agency of IRC is the Internal Revenue Service (IRS).

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In the case of *Bureau of Internal Revenue, Assistant Commissioner Alfredo V. Misajon, Group Supervisor Rolando M. Balbido and Examiner Reynante DP. Martinez vs. Lepanto Ceramics, Inc.*,[12] the Supreme Court held that:

> *"[C]ase law has defined corporate rehabilitation as an attempt to conserve and administer the assets of an insolvent corporation in the hope of its eventual return from financial stress to solvency. It contemplates the continuance of corporate life and activities in an effort to restore and reinstate the corporation to its former position of successful operation and liquidity.*
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> *Verily, the inherent purpose of rehabilitation is to find ways and means to minimize the expenses of the distressed corporation during the rehabilitation period by providing the best possible framework for the corporation to gradually regain or achieve a sustainable operating form. "[It] enable[s] the company to gain a new lease in life and thereby allow creditors to be paid [t]heir claims from its earnings. Thus, rehabilitation shall be undertaken when it is shown that the continued operation of the corporation is economically more feasible and its creditors can recover, by way of the present value of payments projected in the plan, more, if the corporation continues as a going concern than if it is immediately liquidated.*
>
> *In order to achieve such objectives, Section 16 of RA 10142 provides, inter alia, that upon the issuance of a Commencement Order — which includes a Stay or Suspension Order — all actions or proceedings, in court or otherwise, for the enforcement of "claims" against the distressed company shall be suspended. Under the same law, claim "shall refer to all claims or demands of whatever nature or character against the debtor or its property, whether for money or otherwise, liquidated or unliquidated, fixed or contingent, matured or unmatured, disputed or undisputed, including, but not limited to: (1)* ***all claims of the government, whether national or local, including taxes, tariffs and customs duties****; and (2) claims against directors and officers of the debtor arising from acts done in the discharge of their functions falling within the scope of their authority: Provided, That, this inclusion does not prohibit the creditors or third parties from filing cases against the directors and officers acting in their personal capacities."*

In this case, it is undisputed that PAL filed a petition under RA No. 10142 on September 24, 2021 before RTC-Pasay seeking recognition of the Chapter 11 Case, which was granted on October 22, 2021 (i) recognizing the Chapter 11 Case; and (ii) giving force and effect to the Chapter 11 Case and all court orders issued or may be issued by the US Court relating thereto. Thus, all taxes and fees due to the national government imposed upon the issuance of the commencement order and until the approval of the rehabilitation plan or dismissal of the petition, whichever is earlier, shall be considered waived.[13]

Moreover, it is worthy to note that even after the issuance of the commencement order, or after the approval of the rehabilitation plan, or even after the dismissal of the petition, the cancellation of the indebtedness of PAL is still not subject to any tax. In numerous rulings issued by this Office,[14] BIR Ruling No. DA-419-04[15] was cited which states that:

> *"Thus, the condonation of the CPI's debt to SI shall not be subject to income tax considering that CPI is in a capital deficiency position and will remain insolvent before and after the said condonation considering that the amount to be condoned would only be P84,198,555.20. Moreover, the condonation is likewise not subject to gift*

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[12] G.R. No. 224764. April 24, 2017

[13] DOF Opinion No. 012-2020, October 3, 2020.

[14] BIR Ruling No. [DA-222-2005], May 9, 2005, signed by then Commissioner Jose Mario C. Buñag; BIR Ruling No. [DA-(C-063) 216-09] dated May 4, 2009; BIR Ruling No. [DA-260-07], April 25, 2007; BIR Ruling No. [DA-(C-244) 625-09], October 27, 2009.

[15] Dated August 4, 2004.

tax since there is no donative intent on the part of SJ but solely for business consideration.

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<u>Cancellation and forgiveness of indebtedness may amount to a payment of income, to a gift, or to a capital transaction,</u> dependent upon the circumstances. If for example, an individual performs services for a creditor who, in consideration thereof cancels the debt, income in that amount is realized by the debtor as compensation for his services. If, however, a creditor merely desires to benefit a debtor and without any consideration therefor cancels the debt, the amount of the debt is a gift from the creditor to the debtor and need not be included in the latter's gross income. If a corporation to which a stockholder is indebted forgives the debt, the transaction has the effect of the payment of a dividend. (Sec. 50 Revenue Regulations No. 2) The waiver of interest by the banks on non-trade and trade related indebtedness of GMPI is not subject to income tax considering that the deduction of said interest as expense in prior years did not offset nor reduce the taxable income of GMPI since it was in a financial loss position even without the deduction. (See Barnhart-Marrow Consolidated v. Commissioner of Internal Revenue, 47 BTA 590) <u>Moreover, when a creditor cancels a debt as part of a business transaction, the debtor is enriched or its net assets has been increased and, therefore, he realized taxable income</u> (Philippine Fiber Processing Co. v. CIR, CTA Case No. 1407 Dec. 29, 1966). <u>However, a transaction whereby nothing of exchangeable value comes to or is received by a taxpayer does not give rise to or create taxable income.</u> (See Dallas Transfer and Terminal Warehouse Co. v. Commissioner of Internal Revenue, 5 Cir. 70 F 2d 95, 13AFTR 930) ***<u>Accordingly, the condonation of GMPI's indebtedness by GM-US is not subject to income tax since before and after the condonation GMPI remains insolvent, i.e., in a capital deficiency position.</u>*** *The condonation is likewise not subject to gift tax since there is no donative interest on the part of GM-US but solely for business consideration since Isuzu will only acquire the GMPI shares from GM-US if GMPI has a "clean" balance sheet with no outstanding liabilities except those to Isuzu."* (Emphasis and underscoring supplied)

It is clear from the foregoing that the condonation of indebtedness is not subject to income tax if nothing of exchangeable value comes to or is received by the debtor. This is based on the basic and generally accepted principle of taxation that taxable income is created from the inflow of wealth. Therefore, if after the condonation of the liability, the debtor will remain insolvent or in a capital deficit position, then cancellation of the indebtedness is not subject to any tax.

Also, in BIR Ruling No. DA-545-2004[16] which may be applicable to the instant case, this Office had the occasion to apply the "tax benefit doctrine" in ruling that the interest expense reverted or written off will not result in any taxable income since there was no tax benefit derived from the accrual, to wit:

"The reversal of amounts booked and accrued as interest expenses will call for the application of the "tax benefit doctrine" which is a theory which provides for the inclusion in gross income of amounts deducted in earlier taxable years and recovered in later years, but only to the extent that the earlier deductions resulted in income tax liability of the earlier year.

On the basis of the above facts as represented, this Office opines that since UIBC did not and will not derive any tax benefit whether the said accrued expenses are allowed or not, the subsequent reversal write off of the amount booked will not result in any taxable income subject to tax. Hence, the amounts reverted or written off shall not be considered as part of the outstanding loan which is proposed to be settled by way of dation in payment."

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[16] Dated November 5, 2004

Likewise, it bears emphasis that this Office also ruled and confirmed in several rulings[17] that any gain resulting from the condonation of debt pursuant to a court-approved and/or mandated restructuring plan is not taxable for income tax purposes. Particularly, in BIR Ruling No. [DA-028-05],[18] it was ruled that:

> *"Considering that in the case of your client, Bayantel, it was through court action that the debt rehabilitation plan was approved and is now being implemented. In other words, the restructuring was not a result of the mutual agreement of the debtors and creditors, but of judicial action. Accordingly, the gain resulting from condonation of the Bayantel's debt to its various creditors shall not be subject to income tax nor to gift tax since there is no donative intent on the part of its various creditors but is solely for business consideration."* (Underscoring supplied)

Furthermore, in BIR Ruling No. DA-260-07,[19] where Radio Communications of the Philippines, Inc. ("**RCPI**") entered into a debt restructuring plan with its creditor-shareholders under which plan a portion of its debt were to be converted into equity, the BIR ruled that any gain resulting from the condonation of RCPI's debt is not taxable for income tax purposes.

Finally, exemption from income tax of income actually or presumptively received/ gained from acts and/or transactions in compliance of a court order is not novel in the Philippines. Please note that this Office has ruled in BIR Ruling No. 530-2017[20] that reconveyance of property pursuant to a court order shall not be subject to capital gains tax and documentary stamp tax ("**DST**") as imposed under Section 196 of the National Internal Revenue Code of 1997, as amended ("**Tax Code**"), to *wit:*

> *"Since the reconveyance of subject property was pursuant to the Order of the Regional Trial Court which was affirmed by the CA and SC and the reconveyance was in order to return the property covered by TCT No. 219031 to the legal owner, the transfer of TCT No. 219031 in favor of Antonio Gamboa Tizon is not subject to the capital gains tax imposed under Section 24 (D) (1) of the Tax Code of 1997, as amended. Likewise, it is not subject to the documentary stamp tax (DST) imposed under Section 196 of the Tax Code of 1997 but only to the DST imposed under Sec. 188 of the same Code"* (Underscoring supplied)

Having all these in regard, in the case of PAL, it is clear that: (1) the condonation was made pursuant to the Plan that was filed relating to the voluntary petition for relief under Chapter 11 of the US Bankruptcy Code in the US Court; (2) the US Court approved PAL's Plan; (3) the court-approved Plan was then recognized and given force and effect by RTC-Pasay; (4) PAL did not receive anything with exchangeable value as a result of the condonation of its debts by its creditors, including BSHI; and (5) based on the audited financial statements of PAL, it remains to be insolvent or in a capital deficit position after the condonation.

Such being the case, this Office hereby rules that the: (a) cancellation of debt in the amount of USD which resulted from court approved financial restructuring; and (b) a portion of which, the impairment and discharge of PAL's debt with BSHI amounting to USD shall not be subject to income tax and, consequently, to withholding tax.

<u>Donor's Tax</u>

Section 98 of the Tax Code provides that donor's tax shall be imposed upon the transfer by any person, resident or nonresident, of a property by gift or donation. Article 725 of the

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[17] BIR Ruling No. [DA-269-08], April 25, 2008; BIR Ruling No. [DA-028-05] dated January 24, 2005; BIR Ruling No. [DA-(C-274) 689-09], November 20, 2009.

[18] January 24, 2005.

[19] Dated April 25, 2007

[20] November 17, 2017; BIR Ruling No. 466-11, November 24, 2011; BIR Ruling No. 130-15, April 30, 2015.

New Civil Code of the Philippines ("**Civil Code**") defines donation as "an act of liberality whereby a person disposes gratuitously of a thing or right in favor of another, who accepts it." Hence, to be a valid donation, it is essential that: (1) there is reduction of the patrimony of the donor; (2) there is increase in the patrimony of the donee; (3) the intent on the part of the donor to do an act of liberality (*animus donandi*); and (4) the donee accepts the gift.

Evaluating the facts of this case shows that, in condoning the debts of PAL, there was no donative intent on the part of the creditors of PAL (including BSHI) but the same was pursued solely to comply with the order of the US Court and RTC-Pasay, and was purely for business consideration.

Thus, the: (a) cancellation of debts in the amount of USD , which resulted from its financial restructuring; and (b) a portion of which, the impairment and discharge of PAL's debt with BSHI amounting to USD shall not be subject to donor's tax.

Documentary Stamp Tax (DST)

Section 179 of the Tax Code provides that DST shall be imposed on all debt instruments, to *wit:*

> "*SEC. 179. Stamp Tax on All Debt Instruments. — On every original issue of debt instruments, there shall be collected documentary stamp tax of One peso and fifty centavos (P1.50) on each Two hundred pesos (P200), or fractional part thereof, of the issue price of any such debt instrument: Provided, That for such debt instruments with terms of less than one (1) year, the documentary stamp tax to be collected shall be of proportional amount in accordance with the ratio of its terms in number of days to three hundred sixty days (365): Provided, further, That only one documentary stamp tax shall be imposed on either loan agreement, or promissory notes issued to secure such loan.*
>
> *For purposes of this section, the term debt instrument shall mean instruments representing borrowing and lending transactions including but not limited to debentures, certificates of indebtedness, due bills, bonds, loan agreements, including those signed abroad wherein the object of contract is located or used in the Philippines, instruments and securities issued by the government of any of its instrumentalities, deposit substitute debt instruments, certificates or other evidences of deposits that are either drawing interest significantly higher than the regular savings deposit taking into consideration the size of the deposit and the risks involved or drawing interest and having a specific maturity date, orders for payment of any sum of money otherwise than at sight or on demand, promissory notes, whether negotiable or non-negotiable, except bank notes issued for circulation.*" (Underscoring supplied)

In this case, the condonation of PAL's debt does not involve any debt instrument. Again, the condonation or cancellation of debt was made pursuant to the court-approved Plan in a bankruptcy proceeding in the USA, which was recognized by the RTC-Pasay. Thus, it shall not subject to DST imposed under Section 179 of the Tax Code. Also, it should be noted that any agreement to give effect to the terms and conditions of the condonation pursuant to the Plan is not one among those instruments falling under any of the documents enumerated under the Tax Code that are subject to DST.

Accordingly, the Plan and any agreement that was executed or will be executed by the parties to document and give effect to the terms and conditions of the condonation of PAL's debts is not subject to DST. However, the notarial acknowledgment to the said deed is subject to the DST of P30.00 pursuant to Section 188 of the Tax Code.

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Value-Added Tax (VAT)

Section 105 of the Tax Code provides that VAT shall be imposed upon any person who, "in the course of trade or business," sells, barters, exchanges, leases goods or properties, renders services and any person who imports good. In the same section, it was clarified that the phrase 'in the ordinary course of trade or business' means the regular conduct or pursuit of a commercial or an economic activity, including transactions incidental thereto.

Applied in this case, the condonation of PAL's debts is not subject to VAT since the nature of the same is non-recurring, and it cannot be classified as ordinary income of PAL in the ordinary course of trade or business but only in compliance with the court-approved Plan.[22]

This ruling is issued on the basis of the foregoing facts as represented. However, if upon investigation it shall be disclosed that the facts are different, then this ruling shall be considered null and void.

Very truly yours,

CAESAR R. DULAY
Commissioner of Internal Revenue

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[22] BIR Ruling No. [DA-(C-026) 096-09], February 18, 2009.