CTA Form No. 8 (For DCC)

22-000198-0086

REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

SPECIAL FIRST DIVISION

CTA CASE NO. 10853

MEDICARD PHILIPPINES, INC.,
Petitioner,

- versus -

NOTICE OF RESOLUTION

COMMISSIONER OF INTERNAL REVENUE,
Respondent.

To:

OFFICE OF THE SOLICITOR GENERAL
134 Amorsolo St., Legazpi Village
Makati City

ATTY. SYLVIA R. ALMA JOSE
ATTY. AYESHA HANIA B. GUILING-MATANOG
Bureau of Internal Revenue
Room 703, Litigation Division, BIR National Office Building
Sen. Miriam P. Defensor-Santiago Avenue
Diliman, Quezon City

BANIQUED AND BELLO
Suite 803, 8th Floor, Jollibee Centre
San Miguel Avenue, Ortigas Center
1605 Pasig City

GREETINGS:

You are hereby notified by these presents that on **February 24, 2026,** a Resolution was rendered in the above-entitled case, copy of which is attached hereto.

Quezon City, Philippines, **February 25, 2026.**

Atty. Maria Johoanna F. Chan-Te
Executive Clerk of Court III

REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
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SPECIAL FIRST DIVISION

MEDICARD PHILIPPINES, INC.,
Petitioner,

- versus -

COMMISSIONER OF INTERNAL REVENUE,
Respondent.

CTA CASE NO. 10853

Members:

BACORRO-VILLENA, *Acting Chairperson, and*
CUI-DAVID, *JJ.*

Promulgated:

FEB 24 2026 4:14 p.m.

x - x

RESOLUTION

CUI-DAVID, J.:

Before this Court is respondent's *Amended Motion for Reconsideration (Re: Decision dated 28 October 2025)*[1] [***Motion for Reconsideration***], filed on November 19, 2025, with petitioner's *Opposition (to Respondent's Motion for Reconsideration and Amended Motion for Reconsideration Re: Decision dated 28 October 2025)* [***Opposition***], filed on December 9, 2025.

Respondent seeks the reversal and setting aside of the *Decision* promulgated on October 28, 2025 (**assailed *Decision***), which granted the *Petition for Review* and cancelled the assessment issued against petitioner. The dispositive portion of the assailed *Decision* states:

> **WHEREFORE**, premises considered, the instant *Petition for Review* filed by petitioner Medicard Philippines, Inc. is hereby **GRANTED**.
>
> Accordingly, the undated Formal Letter of Demand and the corresponding Assessment Notices served upon petitioner on July 27, 2020, are hereby **CANCELLED and SET ASIDE**. Likewise, the Final Decision on Disputed Assessment dated

[1] Docket – Vol. III, unpaged.

March 30, 2022, which assessed petitioner for deficiency Income Tax, Value-Added Tax, and Expanded Withholding Tax in the aggregate amount of ₱1,593,040,682.23, inclusive of interest and penalties, for taxable year 2014, is hereby **REVERSED** and **SET ASIDE**.

Respondent Commissioner of Internal Revenue, or any person acting on his behalf, is hereby **ENJOINED** and **PROHIBITED** from instituting, pursuing, or otherwise taking any action for the collection of the foregoing void assessments.

SO ORDERED.[2]

The assailed *Decision* cancelled the subject assessment notices upon a finding that the government's right to assess petitioner for taxable year (TY) 2014 had prescribed due to invalid waivers.

In support of its *Motion for Reconsideration*, respondent submits that following:

I.

WITH ALL DUE RESPECT, THE HONORABLE COURT ERRED WHEN IT DECIDED THAT THE GOVERNMENT'S RIGHT TO ASSESS HAD PRESCRIBED DUE TO INVALID WAIVERS.

II.

WITH ALL DUE RESPECT, THE HONORABLE COURT ERRED WHEN IT RELIED ON THE MCDONALD'S CASE, WHICH WAS ERRONEOUSLY RESOLVED BASED ON AN OUTDATED ISSUANCE, SPECIFICALLY, RMO 43-90, WHICH PREDATES THE 1997 NATIONAL INTERNAL REVENUE CODE (NIRC) PROVISIONS.

III.

WITH ALL DUE RESPECT, THE HONORABLE COURT ERRED IN RULING THAT THE ASSESSMENT IS VOID AS A REVENUE OFFICER LISTED IN THE LOA WAS PRESENT EVEN BEFORE THE ISSUANCE OF THE NOTICE OF ASSESSMENTS.

IV.

RESPONDENT IS ESTOPPED FROM RAISING THE ISSUE ON THE REVENUE OFFICER'S AUTHORITY TO CONDUCT AUDIT.

V.

THE LOA ISSUE SHOULD BE IRRELEVANT WHEN THE COMMISSIONER OF INTERNAL REVENUE (CIR) HIMSELF

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[2] *Id.* at 1375-1376.

OR HIS AUTHORIZED REPRESENTATIVES THEMSELVES CONDUCTED THE AUDIT.[3]

Respondent argues that the acceptance by respondent of the waivers is no longer required, as clarified in Revenue Memorandum Circular No. 141-2019. He also maintains that petitioner is estopped from questioning the validity of the waivers, having failed to raise this specific objection in its Reply to the Preliminary Assessment Notice (PAN) or in its Protest to the Final Assessment Notice/Formal Letter of Demand (FAN/FLD). He asserts that securing a waiver of the defense of prescription under Section 222 of the National Internal Revenue Code (NIRC) of 1997, as amended, is not an act of examination that requires a Letter of Authority (LOA).

In its *Opposition*, petitioner submits that the Motion for Reconsideration merits outright denial for having been filed out of time. It notes that respondent is principally represented by the Office of the Solicitor General (OSG) and by deputized lawyers from the Litigation Division of the Bureau of Internal Revenue. Thus, the proper basis for computing the reglementary period to appeal or to determine whether a decision has attained finality is the service of the decision upon the OSG alone, and not upon the deputized officer, citing *National Power Corporation v. National Labor Relations Commission*[4] and *Helix Aggregates Inc. v. Commissioner of Internal Revenue.*[5]

Petitioner also maintains that respondent's right to assess petitioner for TY 2014 had already prescribed when the FAN/FLD was issued on July 27, 2020. It also asserts that even assuming the subject waivers were valid, it received the FAN/FLD only on July 27, 2020, well beyond June 30, 2020, the extended period of limitation set out in petitioner's final waiver.

Accordingly, the present *Motion for Reconsideration* deserves scant consideration.

The Court agrees with petitioner that the present *Motion for Reconsideration* was filed out of time.

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[3] *Id.*, unpaged.
[4] 339 Phil. 89 (2017)
[5] CTA Case No. 10852, May 28, 2025.

Under Section 1, Rule 15 of the Revised Rules of the Court of Tax Appeals (RRCTA),[6] an aggrieved party may seek a reconsideration of a decision of the Court by filing a motion for reconsideration within 15 days from receipt of the decision sought to be reconsidered.

Records show that the OSG received the assailed Decision on **November 13, 2025**, and that the BIR received it on **November 14, 2025**.[7]

In *Commissioner of Customs v. Court of Tax Appeals,*[8] citing *National Power Corporation v. National Labor Relations Commission,*[9] the Supreme Court declared that service of legal processes upon the principal counsel, not the deputized lawyers, is controlling, thus:

> First. Petitioner was represented in the CTA by the Office of the Solicitor General which deputized lawyers in the Legal Service Division of the Bureau of Customs to serve as collaborating counsels. In accordance with this arrangement, lawyers in both offices (Bureau of Customs and the OSG) were served copies of decisions of the CTA. The lawyers at the Bureau received a copy of the decision of the CTA on May 30, 1997, while the OSG received its own on June 5, 1997. As earlier stated, the OSG filed its motion for reconsideration on June 20, 1997. Counted from this date, the motion was seasonably filed, but if the period for appealing or filing a motion for reconsideration were reckoned from the date of receipt of the decision by the lawyers of the Bureau of Customs, then the motion was filed five days late. The Court of Appeals ruled that service of the copy of the CTA decision on the lawyers of the Bureau of Customs was equivalent to service on the OSG, and, therefore, the motion for reconsideration was filed late.
>
> This is error. In National Power Corp. v. NLRC, it was already settled that **although the OSG may have deputized the lawyers in a government agency represented by it, the OSG continues to be the principal counsel, and, therefore, service on it of legal processes**, and not that on the deputized lawyers, **is decisive**. (Emphasis supplied)

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[6] SECTION. 1. *Who may appeal and when to file motion.* – Any aggrieved party may seek a reconsideration or new trial of any decision, resolution or order of the Court by filing a motion for reconsideration or new trial within fifteen days from the date of receipt of notice of the decision, resolution or order of the Court in question.

[7] Docket – Vol. III, unpaged.

[8] G.R. No. 132929, March 27, 2000, [Per J. Mendoza, Second Division].

[9] G.R. Nos. 90933-61, May 29, 1997, [Per J. Romero, Second Division].

Since the OSG received the assailed *Decision* on **November 13, 2025**, respondent had only until **November 18, 2025** to file a motion for reconsideration. Respondent's filing on **November 19, 2025,** through its deputized BIR lawyers, was therefore late.

For respondent's failure to file a motion for reconsideration within the prescribed time provided in Section 1, Rule 15 of the RRCTA, the assailed *Decision* became final and executory. Section 6, Rule 14 of the RRCTA relevantly provides as follows:

> Sec. 6. *Entry of Judgment and final resolution.* – **If no** appeal or **motion for reconsideration** or new trial **is filed within the time provided in these Rules, the Clerk of Court shall forthwith enter the judgment or final resolution in the book of judgment**. The date when the judgment or final order resolution becomes executory shall be deemed the date of its entry. The entry shall contain the dispositive part of the judgment or final resolution and shall be signed by the Clerk of Court, with a certification that such judgment or resolution has become final and executory. (Emphasis supplied)

In *Social Security System v. Isip,*[10] the Supreme Court held that a final judgment may no longer be modified in any respect either by the Court that rendered it or even by the Supreme Court, *viz.*:

> **The belated filing of the motion for reconsideration rendered the decision of the Court of Appeals final and executory.** A judgment becomes "final and executory" by operation of law. Finality becomes a fact when the reglementary period to appeal lapses and no appeal is perfected within such period. As a consequence, no court (not even this Court) can exercise appellate jurisdiction to review a case or modify a decision that has became final.
>
> **When a final judgment is executory, it becomes immutable and unalterable. It may no longer be modified in any respect either by the court which rendered it or even by this Court.** The doctrine is founded on considerations of public policy and sound practice that, at the risk of occasional errors, judgments must become final at some definite point in time.

hr

10 G.R. No. 165417, April 3, 2017 [Per J. Corona, *En Banc*.]

> The doctrine of immutability and inalterability of a final judgment has a two-fold purpose: (1) to avoid delay in the administration of justice and thus, procedurally, to make orderly the discharge of judicial business and (2) to put an end to judicial controversies, at the risk of occasional errors, which is precisely why courts exist. Controversies cannot drag on indefinitely. The rights and obligations of every litigant must not hang in suspense for an indefinite period of time. (Emphasis supplied)

In fine, the Court can no longer entertain respondent's *Motion for Reconsideration* since the assailed *Decision* has attained finality by operation of law.

WHEREFORE, premises considered, respondent's *Amended Motion for Reconsideration (Re: Decision dated 28 October 2025)* is **DISMISSED** for being filed late.

SO ORDERED.

LANEE S. CUI-DAVID
Associate Justice

I CONCUR:

JEAN MARIE A. BACORRO-VILLENA
Associate Justice