REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

EN BANC

****

ZUELLIG PHARMA ASIA PACIFIC LTD. PHILS. ROHQ,
Petitioner,

- versus -

COMMISSIONER OF INTERNAL REVENUE,
Respondent.

CTA EB No. 1915
(CTA Case No. 9025)

Present:

DEL ROSARIO, P.J.,
CASTAÑEDA, JR.,
UY,
FABON-VICTORINO,
RINGPIS-LIBAN,
MANAHAN,
BACORRO-VILLENA, and
MODESTO-SAN PEDRO, JJ.

Promulgated:

JUL 01 2020
1:53 p.m.

x - x

DECISION

UY, J.:

Before the Court *En Banc* is a *Petition for Review* filed on September 5, 2019[1] by petitioner, Zuellig Pharma Asia Pacific ltd. Phils. ROHQ, against respondent, Commissioner of Internal Revenue, praying for the reversal and setting aside of the Decision dated May 23, 2018[2] and Resolution dated August 3, 2018[3], both rendered by the Second Division of this Court (Court in Division) in CTA Case No. 9025, entitled *"Zuellig Pharma Asia Pacific Ltd. Phils. ROHQ Petitioner, vs. Commissioner of Internal Revenue, Respondent".* The dispositive portions thereof respectively read:

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[1] EB Docket, pp. 6 to 30.
[2] EB Docket, pp. 32 to 55; Penned by Associate Justice Juanito C. Castañeda, and concurred by Associate Justice Caesar A. Casanova, with Dissenting Opinion by Associate Justice Catherine T. Manahan.
[3] EB Docket, pp. 70 to 75; Penned by Associate Justice Juanito C. Castañeda, and concurred by Associate Justice Caesar A. Casanova: with Associate Justice Catherine T. Manahan maintaining her Dissenting Opinion.

<u>Decision dated May 23, 2018</u>:

> "**WHEREFORE,** the present Petition for Review is **DISMISSED** for lack of jurisdiction.
>
> **SO ORDERED.**"

<u>Resolution dated August 3, 2018</u>:

> "**WHEREFORE**, petitioner's Motion for Reconsideration is **DENIED** for lack of merit.
>
> **SO ORDERED.**"

THE FACTS

Petitioner is the regional operating headquarters (ROHQ) of Zuellig Pharma Asia Pacific Ltd., a foreign corporation duly organized and existing under the laws of Hong Kong. Its office is located at the 27th Floor, Philippine AXA Life Centre, Sen. Gil Puyat Avenue corner Tindalo Street, Makati City. Petitioner is registered as a VAT taxpayer with the Bureau of Internal Revenue (BIR), with Tax Identification Number (TIN) 215-025-090-000.

It was licensed by the Securities and Exchange Commission (SEC) to do business as ROHQ in the Philippines on December 4, 2001, particularly, to engage in the business of development, general administration and planning, sourcing of IT components and services, marketing control, sales promotion, training, technical support and maintenance.

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

During the four quarters of calendar year (CY) 2011, petitioner rendered services in the Philippines for its foreign affiliate, Zuellig Pharma Holdings Ltd., a non-resident foreign corporation engaged in business conducted outside the Philippines.

Petitioner filed its original Quarterly VAT Returns (BIR Form No. 2550-Q) for the four quarters of CY 2011 with the BIR through the BIR's Electronic Filing and Payment System (eFPS) on the following dates:

TAXABLE PERIOD (CY 2011)	FILING DATE OF VAT RETURN	FILING REFERENCE NO.
First Quarter	April 15, 2011	101100004685925
Second Quarter	July 18, 2011	101100004948797
Third Quarter	October 14, 2011	101100005207644
Fourth Quarter	January 17, 2012	101200005514509

Based on petitioner's Quarterly VAT Returns for the four quarters of CY 2011, petitioner did not have any local sales subject to twelve percent (12%) VAT during the said four quarters. Nevertheless, petitioner had zero-rated sales in the total amount of ₱457,570,398.82, broken down as follows:

TAXABLE PERIOD	ZERO-RATED SALES	VATABLE SALES
First Quarter	₱104,662,984.18	0.00
Second Quarter	100,488,880.94	0.00
Third Quarter	115,665,718.90	0.00
Fourth Quarter	136,752,814.80	0.00
TOTAL	**₱457,570,398.82**	**0.00**

Petitioner accumulated input VAT credits on its domestic purchases of goods and services for the four quarters of CY 2011 amounting to ₱59,809,336.82, computed as follows:

TAXABLE PERIOD (CY 2011)	AMOUNT
First Quarter	₱ 25,148,767.09
Second Quarter	13,277,883.22
Third Quarter	13,828,942.35
Fourth Quarter	7,553,744.16
TOTAL	**₱ 59,809,336.82**

On January 16, 2013, petitioner filed with the BIR Revenue District Office (RDO) No. 49 an administrative claim for refund of its alleged excess and unutilized input VAT for the four quarters of CY 2011 in the total amount of ₱59,809,336.79.

Petitioner received from the BIR RDO No. 49 a *Letter of Authority* (LOA) No. eLA201100014655 on March 13, 2013, authorizing Revenue Officer (RO) Cadidia Carim and Group Supervisor (GS) Adolph Viacrusis to examine petitioner's books of accounts and other accounting records for VAT for the period covering January 1, 2011 to December 31, 2011. Attached to the LOA was a Checklist of Requirements requesting the submission of petitioner's books of accounts and other accounting records for CY 2011.

On various dates, petitioner submitted supporting documents, as follows:

DATE SUBMITTED	EXHIBIT
March 20, 2013	"P-13"
June 13, 2013	"P-14"
August 16, 2013	"P-15"
August 30, 2013	"P-16"
September 6, 2013	"P-17"
September 13, 2013	"P-18"
September 16, 2013	"P-19"
September 18, 2013	"P-20"
November 26, 2013	"P-21"
December 9, 2013	"P-22"
April 2, 2014	"P-23"
November 11, 2014	"P-24"

In the letter submitted on November 11, 2014, petitioner manifested that it has already submitted the complete supporting documents for its administrative claim for refund of excess and unutilized input VAT for the four quarters of CY 2011.

In view of respondent's inaction on petitioner's claim, petitioner filed a *Petition for Review* with this Court in Division on April 8, 2015 and was docketed as CTA Case No. 9025.

Respondent filed his Answer on May 26, 2015 and raised special and affirmative defenses, alleging among others, that petitioner's alleged claim for refund/issuance of tax credit certificate is still subject to administrative routinary investigation/examination by the BIR. Allegedly, it is incumbent upon petitioner to show that it has complied with the provisions under Section 204 (c) in relation to Section 229 of the Tax Code and that its failure to prove the same is fatal to its claim for refund. Claims for refund are construed strictly against herein petitioner since the same partakes the nature of exemption from taxation, and as such, they are looked upon with disfavor. Petitioner should be reminded that taxes are important because it is the lifeblood of the government and so should be calculated without unnecessary hindrance.

After the Pre-Trial Conference held on July 23, 2015, the parties filed their *Joint Stipulation of Facts and Issues* on August 12, 2015. Subsequently, the Court in Division issued the Pre-Trial Order dated August 20, 2015.

Petitioner presented Carolina Zenaida A. Magat — petitioner's Senior Accounting Manager and Katherine O. Constantino — the Court-commissioned Independent Certified Public Accountant (ICPA) as its witnesses.

Thereafter, petitioner formally offered its testimonial and documentary evidence, consisting of Exhibits "P-1" to "P-1061", which were all admitted by the Court in Division.

On the other hand, respondent, through counsel, manifested during the October 19, 2015 hearing that he will no longer present evidence. Hence, the parties were directed to file their respective Memorandum.

Considering the filing of petitioner's *Memorandum* on May 18, 2017 and the Records Verification issued by the Court's Judicial Records Division on May 31, 2017 stating that respondent failed to file a memorandum, CTA Case No. 9025 was deemed submitted for decision by the Court in Division on June 2, 2017.

In the assailed Decision dated May 23, 2018,[4] the Court in Division dismissed CTA Case No. 9025 for lack of jurisdiction.

On June 8, 2018, petitioner filed *a Motion for Reconsideration Re: Decision dated May 23, 2018.*[5] Respondent failed to file its comment thereto within the given period, as per *Records Verification Report* dated July 16, 2018.[6]

On August 3, 2018, the Court in Division issued the assailed Resolution[7], denying petitioner's *Motion for Reconsideration* for lack of merit

On August 24, 2018, petitioner filed before this Court *En Banc* a *Motion for Extension of Time to File Petition for Review*,[8] praying for an extension of fifteen (15) days from August 24, 2018, or until

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[4] EB Docket, pp. 32 to 55; Division Docket (CTA Case No. 9025) – Vol. III, pp. 1013 to 1036.
[5] Division Docket (CTA Case No. 9025) – Vol. III, pp. 1050 to 1064.
[6] Division Docket (CTA Case No. 9025) – Vol. III, p. 1067.
[7] EB Docket, pp. 70 to 75; Division Docket (CTA Case No. 9025) – Vol. III, pp. 1069 to 1074.
[8] EB Docket, pp. 1 to 4.

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September 8, 2018, within which to file his *Petition for Review*. The same was granted by Court *En Banc* and petitioner was given a final and non-extendible period of fifteen (15) days from August 24, 2018, or until September 8, 2018, within which to file the said *Petition for Review*.[9]

On September 5, 2018,[10] petitioner filed the instant *Petition for Review* docketed as CTA EB 1915.

Respondent failed to file his comment to the instant Petition within the given period, as per *Records Verification Report* dated January 15, 2019.[11]

In the Resolution dated February 18, 2019[12], the Court directed the parties to file their respective memoranda within thirty (30) days from notice. Petitioner filed its *Memorandum* on April 29, 2019[13], while respondent failed to file his memorandum as per Records Verification Report dated May 2, 2019.[14]

On May 22, 2019[15], this case was submitted for decision. Hence, this Decision.

GROUNDS FOR THE PETITION

Respondent raises the following errors supposedly committed by the Court in Division, to wit:

"IV

ASSIGNMENT OF ERRORS AND SUMMARY OF ARGUMENTS IN SUPPORT OF THE PETITION FOR REVIEW

xxx xxx xxx

11. With all due respect, petitioner humbly submits that the CTA-Division erred in dismissing the Petition for Review, based on the following grounds:

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[9] Minute Resolution dated August 29, 2018, EB Docket, p. 5.
[10] EB Docket, pp. 6 to 30.
[11] EB Docket, p. 79.
[12] EB Docket, pp. 81 to 92.
[13] EB Docket, pp. 89 to 116.
[14] EB Docket, p. 119.
[15] EB Docket, pp. 121 to 122.

> 11.1. Petitioner timely filed its judicial claim for refund or issuance of a TCC within the period prescribed under Section 112(C), Tax Code; and
>
> 11.2. The case of Pilipinas Total Gas, Inc. v Commissioner of Internal Revenue ("Pilipinas Total Gas case") has been erroneously applied in this case."[16]

Petitioner's arguments:

Petitioner argues that its judicial claim was timely filed within the period prescribed under Section 112(C) of the Tax Code.

Allegedly, the Court in Division's application of the ruling in *Pilipinas Total Gas case* vis-à-vis the remedies allowed under Section 112 (C) is erroneous and misplaced.

Petitioner further contends that where there is proof that additional documents were submitted after the filing of the administrative claim, the 120-day period begins to run from the date of submission of the last document which would complete the supporting documents for the claim.

Respondent, on the other hand, failed to file his Comment to the Petition for Review and Memorandum despite due notice.

THE COURT *EN BANC*'S RULING

The instant *Petition for Review* lacks merit.

The Court in Division is correct in dismissing the instant case for lack of jurisdiction.

Petitioner alleges that its judicial claim was timely filed within the period prescribed under Section 112 (C) of the NIRC of 1997, as amended. Petitioner insists that the 120-day period for respondent to act on its administrative claim begins to run from the date of

[16] *Petition for Review*, EB Docket, p. 11.

submission of the last document which would complete the supporting documents for the claim.

We disagree.

Section 112(C) of the NIRC of 1997, as amended, specifies the time requirement for filing a judicial claim for the refund or tax credit of input VAT, to wit:

> "SEC. 112. Refunds or Tax Credits of Input Tax. —
>
> xxx xxx xxx
>
> (C) *Period within which Refund or Tax Credit of Input Taxes shall be Made.* — **In proper cases, the Commissioner shall grant a refund or issue the tax credit certificate for creditable input taxes within one hundred twenty (120) days from the date of submission of complete documents in support of the application filed in accordance with Subsection (A) hereof.**
>
> **In case of full or partial denial of the claim for tax refund or tax credit, or the failure on the part of the Commissioner to act on the application within the period prescribed above, the taxpayer affected may, within thirty (30) days from the receipt of the decision denying the claim or after the expiration of the one-hundred-twenty-day period, appeal the decision or the unacted claim with the Court of Tax Appeals.**" *(Emphases supplied.)*

Based on the foregoing, the Commissioner of Internal Revenue (CIR) is given a period of 120 days from submission of complete documents to act upon an administrative claim for refund/application for issuance of the tax credit certificate. Upon denial of the claim or application, or upon expiration of the 120-day period, without any action on the claim, the taxpayer has 30 days within which to appeal said adverse decision or unacted claim before the CTA.

Clearly, the foregoing provision speaks of two periods: (1) the period of 120 days, which serves as a waiting period to give time for the BIR Commissioner to act on the administrative claim for refund or tax credit; and (2) the period of 30 days, which refers to the period for filing a judicial claim with the CTA.[17] The strict compliance with the 120+30-day periods is necessary for such a claim to prosper.[18]

It must be emphasized that pursuant to Section 112(C), the 120-day period begins to run from the date of submission of complete documents supporting the administrative claim.[19]

As to when the submission of documents is deemed "complete" for purposes of determining the running of 120-day period, the case of *Pilipinas Total Gas, Inc. vs. Commissioner of Internal Revenue* (hereinafter referred as "*Pilipinas Total Gas* case")[20] is instructive, to wit:

> "Lest it be misunderstood, the benefit given to the taxpayer to determine when it should complete its submission of documents is not unbridled. **Under RMC No. 49-2003, if in the course of the investigation and processing of the claim, additional documents are required for the proper determination of the legitimacy of the claim, <u>the taxpayer-claimants shall submit such documents within thirty (30) days from request of the investigating/processing office</u>. Again, <u>notice</u>, by way of a <u>request from the tax collection authority</u> to produce the complete documents in these cases, is <u>essential</u>.**
>
> Moreover, under Section 112(A) of the NIRC, as amended by RA 9337, a taxpayer has two (2) years, after the close of the taxable quarter when the sales were made, to apply for the issuance of a tax credit certificate or refund of creditable input tax due or paid attributable to such sales. **<u>Thus, before the administrative claim is barred by prescription, the taxpayer must be able to submit his complete documents in support of the application filed</u>.** This is because, it is upon the complete submission of his documents in support of his application that it can be said that the application was, 'officially received' as provided under RMC No. 49-2003.

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

[18] *Commissioner* of Internal Revenue vs. San Roque Power Corporation, G.R. No. 187485, 196113, 197156, February 12, 2013.

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

[20] G.R. No. 207112, December 8, 2015.

> To summarize, for the just disposition of the subject controversy, **the rule is that from the date an administrative claim for excess unutilized VAT is filed, a taxpayer has thirty (30) days within which to submit the documentary requirements sufficient to support his claim, unless given further extension by the CIR. Then, upon filing by the taxpayer of his complete documents to support his application, or expiration of the period given, the CIR has 120 days within which to decide the claim for tax credit or refund.** Should the taxpayer, on the date of his filing, manifest that he no longer wishes to submit any other addition documents to complete his administrative claim, the 120-day period allowed to the CIR begins to run from the date of filing.
>
> **In all cases, whatever documents a taxpayer intends to file to support his claim must be completed within the two-year period under Section 112(A) of the NIRC. The 30-day period from denial of the claim or from the expiration of the 120-day period within which to appeal the denial or inaction of the CIR to the CTA must also be respected." (Emphasis and underscoring supplied)**

Based on the foregoing, the taxpayer has thirty (30) days from the time of filing of its administrative claim for tax credit or refund within which to submit all the required supporting documents under RMC No. 49-03. If in the course of the investigation, however, additional documents are required, the BIR must inform the taxpayer of the need to submit additional documents, through a notice, and the taxpayer shall have thirty (30) days to comply thereto. It is further provided that the said notice from the BIR to produce the complete documents is essential. Upon completion of all the required documents or the expiration of the thirty-day period given by the CIR, the 120-day period shall commence; but in all cases, all filings and submissions, must be completed within the two (2)-year period under Section 112(A) of the NIRC of 1997, as amended by RA No. 9337.

Evidently, in determining the date when the taxpayer is deemed to have completed the submission of its supporting documents, the following must be taken into consideration:

1. The submission of supporting documents must be made within **thirty (30)** days from the filing of its administrative claim **unless**

given further extension by the CIR through a **notice.** In such case, the taxpayer shall have 30 days from said notice to produce the complete documents; and

2. All documents that a taxpayer intends to file to support its claim must be completed within the **two-year period** mentioned under Section 112 (A) of the NIRC of 1997, as amended[21] (i.e. *after the close of the taxable quarter when the sales were made*).

Petitioner has thirty (30) days from receipt of respondent's notice to submit its complete documents.

In this case, petitioner filed its administrative claim covering the four quarters of CY 2011 on January 16, 2013.[22] On March 13, 2013, petitioner received from respondent the LOA with serial number SN: eLA201100014655[23], which includes a Checklist of Requirements[24], requesting the submission of the books of accounts and other supporting documents.

It bears emphasis that apart from the said LOA with Checklist of Requirements, there is nothing on record which shows that respondent issued a subsequent notice/request for submission of supporting documents.

Accordingly, pursuant to RMC No. 49-03, the thirty-day period to produce the complete documents shall run from the receipt of the LOA on March 13, 2013. Counting thirty days therefrom, petitioner

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[21] Section 112 (A) of the Tax Code, as amended, provide as follows:

"SEC. 112. *Refunds or Tax Credits of Input Tax.* —

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

[22] Exhibit "P-11", Division Docket (CTA Case No. 9025) – Vol. 1, pp. 495 to 496.

[23] Exhibit "P-12", Division Docket (CTA Case No. 9025) – Vol. 1, p. 507.

[24] Exhibit "P-12", Division Docket (CTA Case No. 9025) – Vol. 1, p. 508.

had until **April 12, 2013** within which to submit all pertinent supporting documents.

Records reveal, however, that petitioner submitted supporting documents on the following dates:

DATE SUBMITTED	EXHIBIT
March 20, 2013	"P-13"
June 13, 2013	"P-14"
August 16, 2013	"P-15"
August 30, 2013	"P-16"
September 6, 2013	"P-17"
September 13, 2013	"P-18"
September 16, 2013	"P-19"
September 18, 2013	"P-20"
November 26, 2013	"P-21"
December 9, 2013	"P-22"
April 2, 2014	"P-23"
November 11, 2014	"P-24"

Evidently, only the submission filed on **March 20, 2013** was made within the 30-day period to submit its complete documents; while the rest of the submissions from June 13, 2013 to November 11, 2014, were filed beyond the due date.

All documents in support of the claim for refund/credit must be submitted within the two-year period after the close of the taxable quarters when sales were made.

Moreover, considering that the subject claim involves the 1st to 4th quarters of CY 2011, which respectively closed on March 31, 2011, June 30, 2011, September 30, 2011 and December 31, 2011, petitioner had until **March 31, 2013**, **June 30, 2013**, **September 30, 2013** and **December 31, 2013**, respectively, or two years after the close of the taxable quarters when sales were made, to submit all pertinent supporting documents to respondent. Accordingly, the submission of supporting documents on March 20, 2013 was made within the two-year prescribed period.

Thus, in accordance with the *Pilipinas Total Gas case*, petitioner is deemed to have completed the submission of its supporting documents on **March 20, 2013**, which is well within the thirty (30)-day period from respondent's notice and also within the two-year period under Section 112 (A) of the NIRC of 1997, as amended, as shown below:

<table>
<tr><th>CY 2011</th><th>Date of filing of administrative Claim</th><th>Date of receipt of notice/ request for submission of supporting documents</th><th>End of thirty-day period to submit documents</th><th>End of two- year period to complete submission of documents</th><th>Submission of documents</th></tr>
<tr><td>1^{st} quarter</td><td rowspan="4">January 16, 2013</td><td rowspan="4">March 13, 2013</td><td rowspan="4">April 12, 2013</td><td>March 31, 2013</td><td rowspan="4">March 20, 2013, June 13, 2013, August 16, 2013, August 30, 2013, September 6, 2013, September 13, 2013, September 16, 2013, September 18, 2013, November 26, 2013, December 9, 2013, April 2, 2014 November 11, 2014</td></tr>
<tr><td>2^{nd} quarter</td><td>June 30, 2013</td></tr>
<tr><td>3^{rd} quarter</td><td>September 30, 2013</td></tr>
<tr><td>4^{th} quarter</td><td>December 31, 2013</td></tr>
</table>

Consequently, the 120-day period within which respondent should act on the administrative claim shall be reckoned from March 20, 2013. Counting 120 days from therefrom, respondent had until July 18, 2013 to act on the administrative claim. In view of respondent's inaction on the subject claim, petitioner then had thirty (30) days from July 18, 2013 or until **August 17, 2013** within which to file an appeal before this Court, as shown below:

Period	**Date of completion of supporting documents**	**End of the 120-day period for the BIR to act on the claim**	**End of the 30-day period to file appeal before this Court**
1^{st}, 2^{nd}, 3^{rd} and 4^{th} quarters of CY 2011	March 20, 2013	July 18, 2013	**August 17, 2013**

However, considering that the *Petition for Review* in CTA Case No. 9025, was filed with the Court in Division on April 8, 2015, the same was clearly filed out of time.

As regards petitioner's insistence that the 120-day period be reckoned from the date of its last submission of documents on November 11, 2014[25], the Court *En Banc* does not agree.

As already noted, the said submission was filed after the lapse of the thirty-day period to submit the complete documents pursuant to RMC No. 49-03. There is likewise no proof that the said submission

[25] Exhibit "P-24", Division Docket (CTA Case No. 9025) – Vol. 1, p. 527.

was required by respondent. Other than the LOA with the attached Checklist of Requirements issued on March 13, 2013, there is no evidence on record showing that respondent made any subsequent requests for submission of supporting documents in relation to petitioner's claim for refund.

Moreover, as pointed out earlier, petitioner only had until March 31, 2013, June 30, 2013, September 30, 2013 and December 31, 2013, or two years after the close of the taxable quarters when sales were made, to submit all pertinent supporting documents in support of its claim. Thus, the submission on November 11, 2014 was filed beyond the said two-year period.

In sum, petitioner's belated filing of its judicial claim on April 8, 2015 is fatal to its refund claim due to its failure to observe the mandatory 120+30-day prescriptive periods. The Court, therefore, finds no reversible error committed by the Court in Division in dismissing petitioner's *Petition for Review* for lack of jurisdiction.

It must be emphasized that statutes that grant tax exemptions are construed *strictissimi juris* against the taxpayer and liberally in favor of the taxing authority. Tax refunds in relation to VAT are in the nature of such exemptions.[26]

WHEREFORE, in light of the foregoing considerations, the *Petition for Review* is **DENIED** for lack of merit. Accordingly, the assailed Decision dated May 23, 2018 and Resolution dated August 3, 2018, both rendered by the Court in Division in CTA Case No. 9025 are **AFFIRMED**.

SO ORDERED.

ERLINDA P. UY
Associate Justice

WE CONCUR:

ROMAN G. DEL ROSARIO
Presiding Justice

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[26] *Panasonic Communication Imaging Corporation of the Philippines vs. Commissioner of Internal Revenue*, G.R. No. 178090, February 8, 2010.

JUANITO C. CASTAÑEDA, JR.
Associate Justice

ESPERANZA R. FABON-VICTORINO
Associate Justice

MA. BELEN M. RINGPIS-LIBAN
Associate Justice

(With all due respect, I maintain my Dissenting Opinion dated May 23, 2018 in CTA Case No. 9025)
CATHERINE T. MANAHAN
Associate Justice

JEAN MARIE A. BACORRO-VILLENA
Associate Justice

MARIA ROWENA MODESTO-SAN PEDRO
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.

ROMAN G. DEL ROSARIO
Presiding Justice