REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
Quezon City

Second Division

ASURION HONG KONG LIMITED - ROHQ,
Petitioner,

- versus -

COMMISSIONER OF INTERNAL REVENUE,
Respondent.

CTA CASE NO. 10413

Members:

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

Promulgated:
APR 24 2025
9:20 a.m.

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AMENDED DECISION

RINGPIS-LIBAN, J.:

Submitted before this Court are the following:

1. petitioner's **Motion for Partial Reconsideration (Re: Decision dated September 10, 2024)** filed on October 1, 2024, without respondent's comment per Records Verification dated January 7, 2025; and,

2. respondent's **Motion for Partial Reconsideration (of the Decision dated 10 September 2024)** filed through registered mail on October 4, 2024, and received by the Court on October 9, 2024, with petitioner's **Comment (Re: Respondent's Motion for Partial Reconsideration dated October 3, 2024)** filed on December 4, 2024.

On September 10, 2024, the Court promulgated a Decision partially granting petitioner's claim for refund of excess and unutilized input value-added tax ("VAT") attributable to its zero-rated sales of service for calendar year 2018 in a reduced amount as duly supported and proven by supporting documents, the dispositive portion of which reads as follows:

> "**WHEREFORE**, in light of the foregoing considerations, the present *Petition for Review* is **PARTIALLY GRANTED**. Accordingly, respondent is **ORDERED TO REFUND** in favor of petitioner the amount of **Php3,158,884.98**, representing petitioner's excess and unutilized input VAT attributable to its zero-rated sales/receipts for the four (4) quarters of CY 2018.
>
> **SO ORDERED**."

Undaunted, both parties implore the Court to take a second and hard look on the conclusions reached in the above Decision and prays that the same be partially reconsidered based on their respective Motions.

Petitioner's Motion for Partial Reconsideration

In its Motion, petitioner raises the following arguments for the Court's consideration, *viz*.:

a) the evidence on record sufficiently establishes that "New Asurion Europe Limited" and "Asurion Europe Limited" are one and the same entity;

b) that despite the absence of a Service Agreement with Acyan Corporation, it has adequately proven its compliance under Section 108(B)(2) of the Tax Code through its evidence; and,

c) the input VAT are properly substantiated in accordance with the substantiation and invoicing requirements under the Tax Code and BIR revenue issuances.

After careful evaluation, the Court finds partial merit in petitioner's Motion for Partial Reconsideration.

Petitioner failed to establish that New Asurion Europe Limited and Asurion Europe Limited are the same entity.

As to its first argument, petitioner reiterates that it has sufficiently complied with the requirement of presenting both the *Certification of Non-Registration of Corporation/Partnership* issued by the Securities and Exchange Commission ("SEC") and proof of incorporation/registration in a foreign country, as shown in Exhibits "P-5" and "P-7-b".[1] Petitioner further submits that its witnesses, namely, Mr. Santiago De Guzman II, petitioner's finance

[1] Docket, pp. 638-648 and p. 670, respectively.

manager, and Mr. Jay Ballesteros, the court-commissioned Independent Certified Accountant ("ICPA"), have also testified that Asurion Europe Limited and New Asurion Europe Limited pertain to the same entity.

The Court is not swayed.

As previously held by the Court, for the VAT zero-rating of sale of services, the claimant must further comply with Section 108(B)(2) of the National Internal Revenue Code ("NIRC") of 1997, as amended,[2] which essentially provides the following elements, *viz.*:

1. The recipient of the services is a foreign corporation, and the said corporation is doing business outside the Philippines, or is a non-resident person not engaged in business who is outside the Philippines when tl1e services are performed;

2. The services fall under any of the categories under Section 108(B)(2), or simply, the services rendered should be other than 'processing, manufacturing or repacking goods';

3. The service must be performed in the Philippines by a VAT-registered person; and,

4. The payment for such services should be in acceptable foreign currency accounted for in accordance with Bangko Sentral ng Pilipinas ("BSP") rules.

In an attempt to comply with the first essential element, petitioner presented the SEC *Certification of Non-Registration of Corporation/Partnership* and the *Articles of Association* registered in the United Kingdom of Great Britain and Northern Ireland as evidence. However, the said documents pertain to Asurion Europe Limited and *not* to New Asurion Europe Limited. Petitioner failed to submit proof that the said entities are one and the same. More so, the same

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[2] "**SEC. 108.** *Value-Added Tax on the Sale of Services, Including Digital Services, and the Use or Lease of Properties. – x x x.*

(B) Transactions Subject to Zero Percent (0%) Rate - The following services performed in the Philippines by VAT- registered persons shall be subject to zero percent (0%) rate.

(1) Processing, manufacturing or repacking goods for other persons doing business outside the Philippines which goods are subsequently exported, where the services are paid for in acceptable foreign currency and accounted for in accordance with the rules and regulations of the Bangko Sentral ng Pilipinas (BSP);

(2) Services other than those mentioned in the preceding paragraph, rendered to a person engaged in business conducted outside the Philippines or to a nonresident person not engaged in business who is outside the Philippines when the services are performed, the consideration for which is paid for in acceptable foreign currency and accounted for in accordance with the rules and regulations of the Bangko Sentral ng Pilipinas (BSP);"

goes with petitioner's witnesses, their testimonies cannot reasonably conclude that Asurion Europe Limited and New Asurion Europe Limited pertain to one and the same entity.

The Court say again its consistent ruling that actions for tax refund or credit partakes the nature of a claim for exemption and the law is not only construed in *strictissimi juris* against the taxpayer, but also the pieces of evidence presented entitling a taxpayer to an exemption is *strictissimi* scrutinized and must be duly proven. The burden is on the taxpayer to show that it has strictly complied with the conditions for the grant of the tax refund or credit. Since taxes are the lifeblood of the government, tax laws must be faithfully and strictly implemented as they are not intended to be liberally construed.[3]

As such, for failure to sufficiently show that New Asurion Europe Limited and Asurion Europe Limited are one and the same entity, the Court maintains its disallowance of Php4,277,421.16 (equivalent of US$79,746.92) pertaining to petitioner's claimed zero-rated sales to New Asurion Europe Limited.

Petitioner failed to establish the nature of the service rendered to Acyan Corporation.

With regard to its second argument, petitioner asserts that the submission of a service agreement is not an essential requisite under Section 108(B)(2) of the NIRC of 1997, as amended. Petitioner expounds that the said service agreement is not the only exclusive proof to show that the services rendered are other than "processing, manufacturing, or repacking goods." Petitioner cites the testimony of Mr. De Guzman II, who testified as to the nature of petitioner's business and the services it rendered to its clients; as well as the testimony of the ICPA, in stating that while the zero-rated sales made to Acyan Corporation are not supported by service agreements, the said sales nonetheless were duly supported by the SEC Certificate of Non-Registration, Company Registration Documents, and VAT official receipts ("Ors") to show the nature of petitioner's services with Acyan Corporation.

The Court finds petitioner's argument misplaced.

Upon examination of Exhibit "P-26-4", which is the only OR issued to Acyan Corporation, the nature of the services rendered by petitioner is not apparent and does not corroborate the testimony of its witnesses. The subject OR merely states that the amount received was in partial/full payment for "Purpose for Travel Cost", which does not convey what type of service was actually rendered. Correspondingly, the Court cannot reasonably determine

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3 *Coca-Cola Bottlers Philippines, Inc. v. Commissioner of Internal Revenue*, G.R. No. 222428, February 19, 2018.

with the available evidence on record what such service entail –which would have been clear if petitioner submitted the service agreement it entered into with Acyan Corporation. Again, it bears stressing that actions for tax refund are in the nature of a claim for exemption and is therefore construed in *strictissimi juris* against the taxpayer.

As such, the Court upholds the disallowance in the amount of Php992,533.82 (equivalent of US$19,146.10) for failure to sufficiently prove the nature of the service rendered to Acyan Corporation.

Petitioner's refundable input VAT attributable to valid zero-rated sales shall include the amount of Php734,269.03 as duly supported by OR.

Lastly, with regard to the third argument, petitioner urges this Court to revisit its findings with respect to the absence of the indication of nature of services in its supporting documents. Petitioner claims that upon re-evaluation of its disallowed input VAT, it discovered that the VAT ORs and invoices were substantially compliant with the requirement of the indication of nature of services under the NIRC. Petitioner continues that the said VAT ORs made clear and specific reference to the particular billing statements or invoices that were covered by petitioner's payment, thus, the nature of the services thereon can be easily ascertained from the related billing statements and invoices issued by their respective supplier.

The Court finds partial merit in petitioner's argument.

To recall, under Section 113(B)(3) of the NIRC of 1997, as amended, the following information, among others, are **required** to be indicated in the VAT invoice or VAT OR, to wit:

a) Date of transaction;
b) Quantity;
c) Unit cost; and
d) Description of the goods or properties or **nature of the service**.

A re-examination of the VAT ORs supporting the following claimed input taxes shows that petitioner did not indicate the nature of the service/s in the ORs but only the phrase "Various SOA" or certain reference number/s for which the payments received by petitioner were made. As pointed out by petitioner, these reference numbers pertain to the particular billing statements or invoices that were covered by petitioner's payments. Unfortunately, petitioner did not attach the said billing statements or invoices to the VAT ORs it presented before this Court. Without the said attachments, the Court remains precluded from ascertaining the nature of the services for which the following claimed input VAT payments were made, as follows:

Exhibit	Date	Name of Supplier	OR No.	Nature of Service	Tax Base	Input VAT
P-27-154	March 14, 2018	Innove Communications Inc	0796167	847843198	4,209.00	505.08
P-27-155	March 02, 2018	Intellicare	0021426	DNS 5-52	45,837.00	5,500.44
P-27-156	March 13, 2018	Intellicare	0022027	80-004438/3-4 DNS etc	38,763.75	4,651.65
P-27-156	March 13, 2018	Intellicare	0022027	80-004438/3-4 DNS etc	10,688.92	1,282.67
P-27-156	March 13, 2018	Intellicare	0022027	80-004438/3-4 DNS etc	7,428.92	891.47
P-27-156	March 13, 2018	Intellicare	0022027	80-004438/3-4 DNS etc	6,515.17	781.82
P-27-156	March 13, 2018	Intellicare	0022027	80-004438/3-4 DNS etc	10,688.92	1,282.67
P-27-156	March 13, 2018	Intellicare	0022027	80-004438/3-4 DNS etc	33,791.83	4,055.02
P-27-156	March 13, 2018	Intellicare	0022027	80-004438/3-4 DNS etc	900.00	108.00
P-27-156	March 13, 2018	Intellicare	0022027	80-004438/3-4 DNS etc	600.00	72.00
P-27-180	January 24, 2018	Tesoro Allegre Inc	0002172	2979, 2971, 2992	154,880.00	18,585.60
P-27-180	January 24, 2018	Tesoro Allegre Inc	0002172	2979, 2971, 2992	5,142,521.08	617,102.53
P-27-182	March 28, 2018	Tesoro Allegre Inc	0002270	IR# 3583AL, 3547, 3570 and 3602	822,194.50	98,663.34
P-27-182	March 28, 2018	Tesoro Allegre Inc	0002270	IR# 3583AL, 3547, 3570 and 3602	155,813.92	18,697.67
P-27-182	March 28, 2018	Tesoro Allegre Inc	0002270	IR# 3583AL, 3547, 3570 and 3602	5,142,521.08	617,102.53
P-27-232	June 06, 2018	Intellicare	0018518	DNS 5-55	43,887.50	5,266.50
P-27-235	June 06, 2018	Intellicare	0018517	DNS 5-56	41,579.42	4,989.53
P-27-280	June 25, 2018	Tesoro Allegre Inc	0002371	Billing Invoice 2949, 3002, 3042, 3081	955,340.33	114,640.84
P-27-280	June 25, 2018	Tesoro Allegre Inc	0002371	Billing Invoice 2949, 3002, 3042, 3081	787,348.58	94,481.83
P-27-280	June 25, 2018	Tesoro Allegre Inc	0002371	Billing Invoice 2949, 3002, 3042, 3081	152,800.00	18,336.00
P-27-280	June 25, 2018	Tesoro Allegre Inc	0002371	Billing Invoice 2949, 3002, 3042, 3081	5,142,521.08	617,102.53
P-27-347	September 03, 2018	Intellicare	0030857	80000449879-17 and 16, 00 0718-57	5,800.00	696.00
P-27-347	September 03, 2018	Intellicare	0030857	80000449879-17 and 16, 00 0718-57	3,492.50	419.10
P-27-347	September 03, 2018	Intellicare	0030857	80000449879-17 and 16, 00 0718-57	3,492.50	419.10
P-27-347	September 03, 2018	Intellicare	0030857	80000449879-17 and 16, 00 0718-57	7,956.00	954.72
P-27-347	September 03, 2018	Intellicare	0030857	80000449879-17 and 16, 00 0718-57	1,746.25	209.55
P-27-347	September 03, 2018	Intellicare	0030857	80000449879-17 and 16, 00 0718-57	3,978.00	477.36
P-27-347	September 03, 2018	Intellicare	0030857	80000449879-17 and 16, 00 0718-57	1,746.25	209.55
P-27-348	September 03, 2018	Intellicare	0030858	DNS 5-59	44,200.92	5,304.11
P-27-376	July 26, 2018	Tesoro Allegre Inc	0002405	BS # 3044 and 3059	152,800.00	18,336.00
P-27-376	July 26, 2018	Tesoro Allegre Inc	0002405	BS # 3044 and 3059	5,142,521.08	617,102.53
P-28-145	August 2, 2018	Intellicare	0028768	DNS 5-38	49,807.08	5,976.85
P-28-146	October 9, 2018	Intellicare	0033112	Various SOA	49,158.83	5,899.06
P-28-146	October 9, 2018	Intellicare	0033112	Various SOA	2,016.92	242.03
P-28-146	October 9, 2018	Intellicare	0033112	Various SOA	1,346.50	161.58
P-28-146	October 9, 2018	Intellicare	0033112	Various SOA	2,017.08	242.05
P-28-146	October 9, 2018	Intellicare	0033112	Various SOA	1,346.50	161.58

P-28-146	October 9, 2018	Intellicare	0033112	Various SOA	1,346.50	161.58
P-28-146	October 9, 2018	Intellicare	0033112	Various SOA	1,346.50	161.58
P-28-146	October 9, 2018	Intellicare	0033112	Various SOA	1,346.50	161.58
P-28-146	October 9, 2018	Intellicare	0033112	Various SOA	1,346.50	161.58
P-28-146	October 9, 2018	Intellicare	0033112	Various SOA	4,039.42	484.73
P-28-146	October 9, 2018	Intellicare	0033112	Various SOA	1,346.50	161.58
P-28-146	October 9, 2018	Intellicare	0033112	Various SOA	2,692.92	323.15
P-28-146	October 9, 2018	Intellicare	0033112	Various SOA	6,051.17	726.14
P-28-146	October 9, 2018	Intellicare	0033112	Various SOA	2,692.92	323.15
P-28-146	October 9, 2018	Intellicare	0033112	Various SOA	1,346.50	161.58
P-28-146	October 9, 2018	Intellicare	0033112	Various SOA	1,908.50	229.02
P-28-146	October 9, 2018	Intellicare	0033112	Various SOA	1,346.50	161.58
P-28-146	October 9, 2018	Intellicare	0033112	Various SOA	6,051.25	726.15
P-28-147	December 13, 2018	Intellicare	0033112	Various SOA	47,252.75	5,670.33
P-28-195	October 9, 2018	Intellicare	0033112	Various SOA	-1,060.25	-127.23
P-28-195	October 9, 2018	Intellicare	0033112	Various SOA	-1,060.33	-127.24
P-28-195	October 9, 2018	Intellicare	0033112	Various SOA	946.67	113.60
P-28-195	October 9, 2018	Intellicare	0033112	Various SOA	946.67	113.60
P-28-195	October 9, 2018	Intellicare	0033112	Various SOA	-2,120.58	-254.47
P-28-195	October 9, 2018	Intellicare	0033112	Various SOA	-1,060.25	-127.23
P-28-195	October 9, 2018	Intellicare	0033112	Various SOA	300.00	36.00
P-28-195	October 9, 2018	Intellicare	0033112	Various SOA	979.58	117.55
P-28-195	October 9, 2018	Intellicare	0033112	Various SOA	979.58	117.55
P-28-195	October 9, 2018	Intellicare	0033112	Various SOA	-548.58	-65.83
P-28-195	October 9, 2018	Intellicare	0033112	Various SOA	-548.58	-65.83
P-28-195	October 9, 2018	Intellicare	0033112	Various SOA	489.75	58.77
P-28-195	October 9, 2018	Intellicare	0033112	Various SOA	489.83	58.78
P-28-195	October 9, 2018	Intellicare	0033112	Various SOA	946.67	113.60
P-28-195	October 9, 2018	Intellicare	0033112	Various SOA	1,893.33	227.20
P-28-56	June 6, 2018	Intellicare	0018154	DNS 5-54	48,219.25	5,786.31
P-28-77	July 2, 2018	Intellicare	0026795	00-0318-210-118	600.00	72.00
P-28-77	July 2, 2018	Intellicare	0026795	00-0318-210-118	300.00	36.00
P-28-78	July 2, 2018	Intellicare	0026794	DNS 5-57	49,271.00	5,912.52
P-28-79	August 2, 2018	Intellicare	0028768	DNS 5-58	8,065.83	967.90
P-28-79	August 2, 2018	Intellicare	0028768	DNS 5-58	5,377.25	645.27
P-28-79	August 2, 2018	Intellicare	0028768	DNS 5-58	4,463.42	535.61
P-28-79	August 2, 2018	Intellicare	0028768	DNS 5-58	10,640.17	1,276.82
P-28-79	August 2, 2018	Intellicare	0028768	DNS 5-58	9,265.17	1,111.82
P-28-79	August 2, 2018	Intellicare	0028768	DNS 5-58	4,688.75	562.65
P-28-79	August 2, 2018	Intellicare	0028768	DNS 5-58	10,065.92	1,207.91
P-28-79	August 2, 2018	Intellicare	0028768	DNS 5-58	4,688.75	562.65
P-28-79	August 2, 2018	Intellicare	0028768	DNS 5-58	2,688.58	322.63
P-28-79	August 2, 2018	Intellicare	0028768	DNS 5-58	2,688.58	322.63
P-28-79	August 2, 2018	Intellicare	0028768	DNS 5-58	2,231.67	267.80
P-28-79	August 2, 2018	Intellicare	0028768	DNS 5-58	5,777.00	693.24
P-28-79	August 2, 2018	Intellicare	0028768	DNS 5-58	3,088.42	370.61
P-28-79	August 2, 2018	Intellicare	0028768	DNS 5-58	7,377.33	885.28
P-28-79	August 2, 2018	Intellicare	0028768	DNS 5-58	7,551.83	906.22
P-28-92	July 5, 2018	Olive Maintenance Services Inc.	0007536	23102	9,063.17	1,087.58
P-28-93	July 5, 2018	Olive Maintenance Services Inc.	0007537	23100	88,459.42	10,615.13
P-27-377	August 24, 2018	Tesoro Allegre Inc	0002458	BS # 3897, 3923, 3955 and	745,775.75	89,493.09

				4035		
P-27-377	August 24, 2018	Tesoro Allegre Inc	0002458	BS # 3897, 3923, 3955 and 4035	725,371.67	87,044.60
P-27-377	August 24, 2018	Tesoro Allegre Inc	0002458	BS # 3897, 3923, 3955 and 4035	152,844.67	18,341.36
P-27-377	August 24, 2018	Tesoro Allegre Inc	0002458	BS # 3897, 3923, 3955 and 4035	5,258,091.17	630,970.94
P-27-378	September 26, 2018	Tesoro Allegre Inc	0002492	BS # 3182, 3212	163,006.42	19,560.77
P-27-378	September 26, 2018	Tesoro Allegre Inc	0002492	BS # 3182, 3212	-4,000.00	-480.00
P-27-378	September 26, 2018	Tesoro Allegre Inc	0002492	BS # 3182, 3212	5,366,438.08	643,972.57
P-27-443	December 28, 2018	Intellicare	0037611	AR 00-0918-81; 00-0918-118	3,500.00	420.00
P-27-443	December 28, 2018	Intellicare	0037611	AR 00-0918-81; 00-0918-118	3,300.00	396.00
P-27-444	December 13, 2018	Intellicare	0036875	DNS 5-62	46,038.75	5,524.65
P-27-444	December 13, 2018	Intellicare	0036875	DNS 5-62	9,170.83	1,100.50
P-27-444	December 13, 2018	Intellicare	0036875	DNS 5-62	9,370.75	1,124.49
P-27-444	December 13, 2018	Intellicare	0036875	DNS 5-62	18,341.75	2,201.01
P-27-444	December 13, 2018	Intellicare	0036875	DNS 5-62	19,141.33	2,296.96
P-27-445	December 28, 2018	Intellicare	0037612	DNS 5-63	49,788.00	5,974.56
P-27-445	December 28, 2018	Intellicare	0037612	DNS 5-63	6,400.00	768.00
P-27-445	December 28, 2018	Intellicare	0037612	DNS 5-63	300.00	36.00
P-27-445	December 28, 2018	Intellicare	0037612	DNS 5-63	1,800.00	216.00
P-27-445	December 28, 2018	Intellicare	0037612	DNS 5-63	300.00	36.00
P-27-530	October 24, 2018	Tesoro Allegre Inc	2529	BS # 3257, 3314 and 3287	155,724.67	18,686.96
P-27-530	October 24, 2018	Tesoro Allegre Inc	2529	BS # 3257, 3314 and 3287	5,366,438.08	643,972.57
P-27-531	November 12, 2018	Tesoro Allegre Inc	2547	BS # 3326, 3382 and 3353	738,057.92	88,566.95
P-27-531	November 12, 2018	Tesoro Allegre Inc	2547	BS # 3326, 3382 and 3353	155,724.67	18,686.96
P-27-531	November 12, 2018	Tesoro Allegre Inc	2547	BS # 3326, 3382 and 3353	5,366,438.08	643,972.57
P-27-532	December 06, 2018	Tesoro Allegre Inc	2587	BS # 3459, 3438,3403, 3428	811,736.75	97,408.41
P-27-532	December 06, 2018	Tesoro Allegre Inc	2587	BS # 3459, 3438,3403, 3428	155,724.67	18,686.96
P-27-532	December 06, 2018	Tesoro Allegre Inc	2587	BS # 3459, 3438,3403, 3428	82,839.92	9,940.79
P-27-532	December 06, 2018	Tesoro Allegre Inc	2587	BS # 3459, 3438,3403, 3428	5,366,438.08	643,972.57
P-27-559	November 07, 2018	Tesoro Allegre Inc	2538	BS # 3401	4,766,630.25	571,995.63
P-27-559	November 07, 2018	Tesoro Allegre Inc	2538	BS # 3401	1,753,715.17	210,445.82
P-27-560	December 28, 2018	Intellicare	0037620	DNS 5-64 and 65	197,265.00	23,671.80
P-27-560	December 28, 2018	Intellicare	0037620	DNS 5-64 and 65	88,817.00	10,658.04
P-27-560	December 28, 2018	Intellicare	0037620	DNS 5-64 and 65	49,364.00	5,923.68
P-27-560	December 28, 2018	Intellicare	0037620	DNS 5-64 and 65	118,359.00	14,203.08
P-27-560	December 28, 2018	Intellicare	0037620	DNS 5-64 and 65	115,837.00	13,900.44
P-27-560	December 28, 2018	Intellicare	0037620	DNS 5-64 and 65	37,021.00	4,442.52
P-27-560	December 28, 2018	Intellicare	0037620	DNS 5-64 and 65	78,906.00	9,468.72
P-27-560	December 28, 2018	Intellicare	0037620	DNS 5-64 and 65	56,641.00	6,796.92
P-27-560	December 28, 2018	Intellicare	0037620	DNS 5-64 and 65	39,453.00	4,734.36
P-27-560	December 28, 2018	Intellicare	0037620	DNS 5-64 and 65	39,453.00	4,734.36
P-27-560	December 28, 2018	Intellicare	0037620	DNS 5-64 and 65	49,364.00	5,923.68
P-27-560	December 28, 2018	Intellicare	0037620	DNS 5-64 and 65	98,728.00	11,847.36
P-27-560	December 28, 2018	Intellicare	0037620	DNS 5-64 and 65	128,270.00	15,392.40
P-27-560	December 28, 2018	Intellicare	0037620	DNS 5-64 and 65	118,359.00	14,203.08
P-27-560	December 28, 2018	Intellicare	0037620	DNS 5-64 and 65	27,068.33	3,248.20
P-27-560	December 28, 2018	Intellicare	0037620	DNS 5-64 and 65	9,022.75	1,082.73
P-27-560	December 28, 2018	Intellicare	0037620	DNS 5-64 and 65	27,579.75	3,309.57
P-27-560	December 28, 2018	Intellicare	0037620	DNS 5-64 and 65	8,464.50	1,015.74
P-27-560	December 28, 2018	Intellicare	0037620	DNS 5-64 and 65	9,022.75	1,082.73

P-27-560	December 28, 2018	Intellicare	0037620	DNS 5-64 and 65	13,789.92	1,654.79
P-27-560	December 28, 2018	Intellicare	0037620	DNS 5-64 and 65	9,022.75	1,082.73
P-27-560	December 28, 2018	Intellicare	0037620	DNS 5-64 and 65	19,424.92	2,330.99
P-27-560	December 28, 2018	Intellicare	0037620	DNS 5-64 and 65	19,424.92	2,330.99
P-27-560	December 28, 2018	Intellicare	0037620	DNS 5-64 and 65	43,031.58	5,163.79
P-27-560	December 28, 2018	Intellicare	0037620	DNS 5-64 and 65	18,768.08	2,252.17
P-27-560	December 28, 2018	Intellicare	0037620	DNS 5-64 and 65	15,668.00	1,880.16
P-27-560	December 28, 2018	Intellicare	0037620	DNS 5-64 and 65	12,851.17	1,542.14
P-27-560	December 28, 2018	Intellicare	0037620	DNS 5-64 and 65	19,424.92	2,330.99
P-27-560	December 28, 2018	Intellicare	0037620	DNS 5-64 and 65	9,384.00	1,126.08
P-27-560	December 28, 2018	Intellicare	0037620	DNS 5-64 and 65	14,343.92	1,721.27
P-27-560	December 28, 2018	Intellicare	0037620	DNS 5-64 and 65	19,424.83	2,330.98
P-27-560	December 28, 2018	Intellicare	0037620	DNS 5-64 and 65	1,362.58	163.51
P-27-560	December 28, 2018	Intellicare	0037620	DNS 5-64 and 65	1,392.58	167.11
P-27-560	December 28, 2018	Intellicare	0037620	DNS 5-64 and 65	1,362.58	163.51
P-27-560	December 28, 2018	Intellicare	0037620	DNS 5-64 and 65	1,362.58	163.51
P-27-560	December 28, 2018	Intellicare	0037620	DNS 5-64 and 65	2,845.33	341.44
P-27-560	December 28, 2018	Intellicare	0037620	DNS 5-64 and 65	17,766.33	2,131.96
P-27-560	December 28, 2018	Intellicare	0037620	DNS 5-64 and 65	43,972.92	5,276.75
P-27-560	December 28, 2018	Intellicare	0037620	DNS 5-64 and 65	21,066.92	2,528.03
P-27-560	December 28, 2018	Intellicare	0037620	DNS 5-64 and 65	21,526.75	2,583.21
P-27-560	December 28, 2018	Intellicare	0037620	DNS 5-64 and 65	10,533.50	1,264.02
P-27-560	December 28, 2018	Intellicare	0037620	DNS 5-64 and 65	21,066.92	2,528.03
P-27-560	December 28, 2018	Intellicare	0037620	DNS 5-64 and 65	41,093.50	4,931.22
P-27-560	December 28, 2018	Intellicare	0037620	DNS 5-64 and 65	4,490.00	538.80
P-27-561	December 28, 2018	Intellicare	0037613	80-00-04498/10-1B	62,312.00	7,477.44
P-27-561	December 28, 2018	Intellicare	0037613	80-00-04498/10-1B	31,479.08	3,777.49
P-27-561	December 28, 2018	Intellicare	0037613	80-00-04498/10-1B	682,181.00	81,861.72
P-27-561	December 28, 2018	Intellicare	0037613	80-00-04498/10-1B	195,733.00	23,487.96
P-27-561	December 28, 2018	Intellicare	0037613	80-00-04498/10-1B	238,230.00	28,587.60
P-27-561	December 28, 2018	Intellicare	0037613	80-00-04498/10-1B	15,578.00	1,869.36
P-27-561	December 28, 2018	Intellicare	0037613	80-00-04498/10-1B	23,974.00	2,876.88
P-27-561	December 28, 2018	Intellicare	0037613	80-00-04498/10-1B	50,648.00	6,077.76
P-27-561	December 28, 2018	Intellicare	0037613	80-00-04498/10-1B	27,031.00	3,243.72
P-27-561	December 28, 2018	Intellicare	0037613	80-00-04498/10-1B	183,100.00	21,972.00
P-27-561	December 28, 2018	Intellicare	0037613	80-00-04498/10-1B	58,721.00	7,046.52
P-27-561	December 28, 2018	Intellicare	0037613	80-00-04498/10-1B	23,440.00	2,812.80
P-27-561	December 28, 2018	Intellicare	0037613	80-00-04498/10-1B	120,788.00	14,494.56
P-27-561	December 28, 2018	Intellicare	0037613	80-00-04498/10-1B	15,578.00	1,869.36
P-27-561	December 28, 2018	Intellicare	0037613	80-00-04498/10-1B	31,156.00	3,738.72
P-27-561	December 28, 2018	Intellicare	0037613	80-00-04498/10-1B	46,734.00	5,608.08
P-27-561	December 28, 2018	Intellicare	0037613	80-00-04498/10-1B	19,492.00	2,339.04
P-27-561	December 28, 2018	Intellicare	0037613	80-00-04498/10-1B	62,312.00	7,477.44
P-27-561	December 28, 2018	Intellicare	0037613	80-00-04498/10-1B	374,106.00	44,892.72
P-27-561	December 28, 2018	Intellicare	0037613	80-00-04498/10-1B	71,031.00	8,523.72
P-27-561	December 28, 2018	Intellicare	0037613	80-00-04498/10-1B	80,696.00	9,683.52
P-27-561	December 28, 2018	Intellicare	0037613	80-00-04498/10-1B	191,173.00	22,940.76
P-27-561	December 28, 2018	Intellicare	0037613	80-00-04498/10-1B	345,060.00	41,407.20
P-27-561	December 28, 2018	Intellicare	0037613	80-00-04498/10-1B	258,858.00	31,062.96
P-27-561	December 28, 2018	Intellicare	0037613	80-00-04498/10-1B	400,975.00	48,117.00
P-27-561	December 28, 2018	Intellicare	0037613	80-00-04498/10-1B	307,691.00	36,922.92
P-27-561	December 28, 2018	Intellicare	0037613	80-00-04498/10-1B	96,274.00	11,552.88

P-27-561	December 28, 2018	Intellicare	0037613	80-00-04498/10-1B	374,401.00	44,928.12
P-27-561	December 28, 2018	Intellicare	0037613	80-00-04498/10-1B	50,971.00	6,116.52
P-27-561	December 28, 2018	Intellicare	0037613	80-00-04498/10-1B	172,327.00	20,679.24
P-27-561	December 28, 2018	Intellicare	0037613	80-00-04498/10-1B	31,156.00	3,738.72
P-27-561	December 28, 2018	Intellicare	0037613	80-00-04498/10-1B	145,119.00	17,414.28
P-27-561	December 28, 2018	Intellicare	0037613	80-00-04498/10-1B	261,347.00	31,361.64
P-27-561	December 28, 2018	Intellicare	0037613	80-00-04498/10-1B	15,578.00	1,869.36
P-27-561	December 28, 2018	Intellicare	0037613	80-00-04498/10-1B	149,514.00	17,941.68
P-27-561	December 28, 2018	Intellicare	0037613	80-00-04498/10-1B	80,696.00	9,683.52
P-27-561	December 28, 2018	Intellicare	0037613	80-00-04498/10-1B	62,635.00	7,516.20
P-27-561	December 28, 2018	Intellicare	0037613	80-00-04498/10-1B	18,384.00	2,206.08
P-27-561	December 28, 2018	Intellicare	0037613	80-00-04498/10-1B	15,578.00	1,869.36
P-27-561	December 28, 2018	Intellicare	0037613	80-00-04498/10-1B	55,130.00	6,615.60
P-27-561	December 28, 2018	Intellicare	0037613	80-00-04498/10-1B	161,799.00	19,415.88
P-27-561	December 28, 2018	Intellicare	0037613	80-00-04498/10-1B	31,156.00	3,738.72
P-27-562	December 28, 2018	Intellicare	0037610	80-00-04498/10-2A	117,197.00	14,063.64
P-27-562	December 28, 2018	Intellicare	0037610	80-00-04498/10-2A	189,832.00	22,779.84
P-27-562	December 28, 2018	Intellicare	0037610	80-00-04498/10-2A	62,312.00	7,477.44
P-27-562	December 28, 2018	Intellicare	0037610	80-00-04498/10-2A	274,436.00	32,932.32
P-27-562	December 28, 2018	Intellicare	0037610	80-00-04498/10-2A	176,163.00	21,139.56
P-27-562	December 28, 2018	Intellicare	0037610	80-00-04498/10-2A	46,734.00	5,608.08
P-27-562	December 28, 2018	Intellicare	0037610	80-00-04498/10-2A	31,156.00	3,738.72
P-27-562	December 28, 2018	Intellicare	0037610	80-00-04498/10-2A	18,384.00	2,206.08
P-27-562	December 28, 2018	Intellicare	0037610	80-00-04498/10-2A	93,468.00	11,216.16
P-27-562	December 28, 2018	Intellicare	0037610	80-00-04498/10-2A	853,512.00	102,421.44
P-27-562	December 28, 2018	Intellicare	0037610	80-00-04498/10-2A	46,734.00	5,608.08
P-27-562	December 28, 2018	Intellicare	0037610	80-00-04498/10-2A	15,578.00	1,869.36
P-27-562	December 28, 2018	Intellicare	0037610	80-00-04498/10-2A	62,312.00	7,477.44
P-27-562	December 28, 2018	Intellicare	0037610	80-00-04498/10-2A	39,074.00	4,688.88
P-27-562	December 28, 2018	Intellicare	0037610	80-00-04498/10-2A	187,582.00	22,509.84
P-27-562	December 28, 2018	Intellicare	0037610	80-00-04498/10-2A	62,312.00	7,477.44
P-27-562	December 28, 2018	Intellicare	0037610	80-00-04498/10-2A	620,367.25	74,444.07
P-27-562	December 28, 2018	Intellicare	0037610	80-00-04498/10-2A	288,388.00	34,606.56
P-27-562	December 28, 2018	Intellicare	0037610	80-00-04498/10-2A	93,468.00	11,216.16
P-27-562	December 28, 2018	Intellicare	0037610	80-00-04498/10-2A	384,709.00	46,165.08
P-27-562	December 28, 2018	Intellicare	0037610	80-00-04498/10-2A	440,186.00	52,822.32
P-27-562	December 28, 2018	Intellicare	0037610	80-00-04498/10-2A	722,995.42	86,759.45
P-27-562	December 28, 2018	Intellicare	0037610	80-00-04498/10-2A	812,669.00	97,520.28
P-27-562	December 28, 2018	Intellicare	0037610	80-00-04498/10-2A	257,666.00	30,919.92
P-27-562	December 28, 2018	Intellicare	0037610	80-00-04498/10-2A	1,554,331.00	186,519.72
P-27-562	December 28, 2018	Intellicare	0037610	80-00-04498/10-2A	288,310.00	34,597.20
P-27-562	December 28, 2018	Intellicare	0037610	80-00-04498/10-2A	353,655.00	42,438.60
P-27-562	December 28, 2018	Intellicare	0037610	80-00-04498/10-2A	676,541.00	81,184.92
P-27-562	December 28, 2018	Intellicare	0037610	80-00-04498/10-2A	851,993.00	102,239.16
P-27-562	December 28, 2018	Intellicare	0037610	80-00-04498/10-2A	109,046.00	13,085.52
P-27-562	December 28, 2018	Intellicare	0037610	80-00-04498/10-2A	77,968.00	9,356.16
P-27-562	December 28, 2018	Intellicare	0037610	80-00-04498/10-2A	15,578.00	1,869.36
P-27-562	December 28, 2018	Intellicare	0037610	80-00-04498/10-2A	428,541.00	51,424.92
P-27-562	December 28, 2018	Intellicare	0037610	80-00-04498/10-2A	27,259.00	3,271.08
P-27-562	December 28, 2018	Intellicare	0037610	80-00-04498/10-2A	494,612.83	59,353.54
P-27-562	December 28, 2018	Intellicare	0037610	80-00-04498/10-2A	148,620.00	17,834.40
P-27-562	December 28, 2018	Intellicare	0037610	80-00-04498/10-2A	128,638.00	15,436.56

P-27-562	December 28, 2018	Intellicare	0037610	80-00-04498/10-2A	215,616.00	25,873.92
P-27-562	December 28, 2018	Intellicare	0037610	80-00-04498/10-2A	456,519.00	54,782.28
P-27-562	December 28, 2018	Intellicare	0037610	80-00-04498/10-2A	47,948.00	5,753.76
P-27-562	December 28, 2018	Intellicare	0037610	80-00-04498/10-2A	101,296.00	12,155.52
P-27-562	December 28, 2018	Intellicare	0037610	80-00-04498/10-2A	42,609.00	5,113.08
				TOTAL	**Php81,092,818.45**	**Php9,731,138.21**

Moreover, aside from petitioner's failure to attach the related billing statements and invoices for the VAT ORs, the Court similarly observed that the reference numbers indicated in the VAT ORs supporting the following input taxes are unreadable/unclear, to wit:

Exhibit No.	Date	Name of Supplier	OR No.	Nature of Service shown in petitioner's MPR	Tax Base	Input VAT
P-27-233	June 06, 2018	Intellicare	0018516	90 09 0449870	11,835.25	1,420.23
P-27-233	June 06, 2018	Intellicare	0018516	90 09 0449870	18,007.92	2,160.95
P-27-233	June 06, 2018	Intellicare	0018516	90 09 0449870	14,980.75	1,797.69
P-27-233	June 06, 2018	Intellicare	0018516	90 09 0449870	24,941.42	2,992.97
P-27-233	June 06, 2018	Intellicare	0018516	90 09 0449870	7,090.50	850.87
P-27-233	June 06, 2018	Intellicare	0018516	90 09 0449870	7,890.17	946.82
P-27-233	June 06, 2018	Intellicare	0018516	90 09 0449870	3,545.33	425.44
P-27-233	June 06, 2018	Intellicare	0018516	90 09 0449870	3,545.33	425.44
P-27-233	June 06, 2018	Intellicare	0018516	90 09 0449870	3,945.80	473.41
P-27-233	June 06, 2018	Intellicare	0018516	90 09 0449870	3,545.25	425.43
P-27-233	June 06, 2018	Intellicare	0018516	90 09 0449870	7,490.42	898.85
P-27-233	June 06, 2018	Intellicare	0018516	90 09 0449870	6,002.67	720.32
P-27-233	June 06, 2018	Intellicare	0018516	90 09 0449870	12,470.67	1,496.48
P-27-233	June 06, 2018	Intellicare	0018516	90 09 0449870	3,945.08	473.41
P-27-233	June 06, 2018	Intellicare	0018516	90 09 0449870	4,430.50	531.66
P-27-233	June 06, 2018	Intellicare	0018516	90 09 0449870	9,289.42	1,114.73
P-27-233	June 06, 2018	Intellicare	0018516	90 09 0449870	4,430.58	531.67
P-27-233	June 06, 2018	Intellicare	0018516	90 09 0449870	9,289.42	1,114.73
P-27-233	June 06, 2018	Intellicare	0018516	90 09 0449870	4,430.58	531.67
P-27-233	June 06, 2018	Intellicare	0018516	90 09 0449870	13,291.58	1,594.99
P-27-233	June 06, 2018	Intellicare	0018516	90 09 0449870	18,578.83	2,229.46
P-27-233	June 06, 2018	Intellicare	0018516	90 09 0449870	14,148.33	1,697.80
P-27-233	June 06, 2018	Intellicare	0018516	90 09 0449870	8,861.08	1,063.33
P-27-233	June 06, 2018	Intellicare	0018516	90 09 0449870	7,798.33	935.80
P-27-233	June 06, 2018	Intellicare	0018516	90 09 0449870	8,861.08	1,063.33
P-27-233	June 06, 2018	Intellicare	0018516	90 09 0449870	3,300.00	396.00
P-27-234	June 06, 2018	Intellicare	0018515	0000004498700	5,144.42	617.33
P-27-234	June 06, 2018	Intellicare	0018515	0000004498700	5,144.42	617.33
P-27-234	June 06, 2018	Intellicare	0018515	0000004498700	5,144.42	617.33
P-27-234	June 06, 2018	Intellicare	0018515	0000004498700	5,144.42	617.33
P-27-234	June 06, 2018	Intellicare	0018515	0000004498700	12,986.67	1,558.40
P-27-234	June 06, 2018	Intellicare	0018515	0000004498700	16,947.75	2,033.73
P-27-234	June 06, 2018	Intellicare	0018515	0000004498700	10,288.92	1,234.67
P-27-234	June 06, 2018	Intellicare	0018515	0000004498700	10,288.92	1,234.67
P-27-234	June 06, 2018	Intellicare	0018515	0000004498700	8,742.50	1,049.10
P-27-234	June 06, 2018	Intellicare	0018515	0000004498700	28,670.83	3,440.50
P-27-234	June 06, 2018	Intellicare	0018515	0000004498700	135,459.92	16,255.19

Total						Php479,909.48	Php57,589.06

Therefore, contrary to petitioner's assertion, the mere indication of certain reference numbers in the VAT ORs supporting the aforesaid claimed input taxes in the amounts of Php9,731,138.21 and Php57,589.06, cannot be considered as compliant with the invoicing requirement under Section 113(B)(3) of the NIRC of 1997, as amended.

In the same way, the VAT ORs supporting the following input taxes in the amount of Php516,267.70 likewise failed to indicate the nature of the services related to petitioner's payments. A careful scrutiny of the VAT ORs reveals that the reference numbers indicated by petitioner in its *Motion for Partial Reconsideration* as pertaining to the "Nature of Service" actually pertains to the serial numbers of the Bank of America checks issued by petitioner to its suppliers as payments for its purchases, to wit:

Exhibit No.	Date	Name of Supplier	OR No.	Nature of Service	Tax Base	Input VAT
P-27-150	February 14, 2028	Globe Telecom	3543684	Bank of America (BOA) #1501195	Php 329,523.08	Php 39,542.77
P-27-151	March 14, 2018	Globe Telecom	3556544	BOA #1501233	320,192.83	38,423.14
P-27-152	February 19, 2018	Innove Communications Inc	0786215	BOA #1501176	4,008.08	480.97
P-27-153	February 14, 2028	Innove Communications Inc	0782139	BOA #1501196	4,075.08	489.01
P-27-230	May 5, 2018	Innove Communications Inc	0804698	BOA #1501275	3,974.67	476.96
P-27-230	May 5, 2018	Innove Communications Inc	0804698	BOA #1501275	835,900.00	100,308.00
P-27-231	June 1, 2018	Innove Communications Inc	0817211	BOA #1501306	4,287.08	514.45
P-27-231	June 1, 2018	Innove Communications Inc	0817211	BOA #1501306	87,000.00	10,440.00
P-27-340	July 25, 2018	Globe Telecom	3650328	BOA 1501407	336,486.08	40,378.33
P-27-340	July 25, 2018	Globe Telecom	3650328	BOA 1501407	381,354.08	45,762.49
P-27-345	August 8, 2018	Innove Communications Inc.	0906763	BOA 1501424	87,000.00	10,440.00
P-27-346	September 17, 2018	Innove Communications Inc.	0896110	BOA 1501451	87,000.00	10,440.00
P-28-73	July 4, 2018	Innove Communications Inc.	0896747	BOA 1501336	3,930.00	471.60
P-28-74	July 4, 2018	Innove Communications Inc.	0896749	BOA 1501335	87,000.00	10,440.00
P-28-76	July 4, 2018	Innove Communications Inc.	0896748	BOA 1501386	87,000.00	10,440.00
P-28-141	September 1, 2018	Globe Telecom	3696438	BOA 1501527	365,017.42	43,802.09
P-27-434	October 31, 2018	Globe Telecom	3708796	BOA 1501566	362,027.17	43,443.26
P-27-435	November 22, 2018	Globe Telecom	3717598	BOA 1501606	380,153.17	45,618.38
P-27-436	December 26, 2018	Globe Telecom	3730178	BOA 1501678	362,302.08	43,476.25
P-27-441	November 22, 2018	Innove Communications Inc	929781	BOA 1501553	87,000.00	10,440.00
P-27-442	November 22, 2018	Innove Communications Inc	929780	BOA 1501607	87,000.00	10,440.00
Total					**Php4,302,230.82**	**Php516,267.70**

Furthermore, the Court also observed that the disallowed input VAT of Php10,440.00 with supporting VAT OR marked as Exhibit "P-28-74, was credited twice by petitioner in its *Motion for Partial Reconsideration* in arriving at the assailed input VAT disallowance of Php11,784,548.15.

Finally, petitioner avers that the following exhibits evidently reveal that the nature of the services provided were clearly indicated on the face of the VAT ORs, contrary to the findings of this Court in its Decision, to wit:

Exhibit No.	Date	Name of Supplier	OR No.	Nature of Service	Tax Base	Input VAT
P-27-181	February 22, 2018	TESORO ALEGRE INC	OR No. 0002224	Rental + CUSA + Parking Feb 2018 Utilities for Nov 26 to Dec 25 2017	Php 154,969.25	Php 18,596.31
P-27-181	February 22, 2018	TESORO ALEGRE INC	OR No. 0002224	Rental + CUSA + Parking Feb 2018 Utilities for Nov 26 to Dec 25 2017	821,418.25	98,570.19
P-27-181	February 22, 2018	TESORO ALEGRE INC	OR No. 0002224	Rental + CUSA + Parking Feb 2018 Utilities for Nov 26 to Dec 25 2017	5,142,521.08	617,102.53
P-27-279	May 11, 2018	TESORO ALEGRE INC	OR No. 0002323	Rental + CUSA + Parking May 2018	828,380.17	99,405.62
P-27-279	May 11, 2018	TESORO ALEGRE INC	OR No. 0002323	Rental + CUSA + Parking May 2018	152,800.00	18,336.00
P-27-279	May 11, 2018	TESORO ALEGRE INC	OR No. 0002323	Rental + CUSA + Parking May 2018	5,142,521.08	617,102.53
				TOTAL	**Php12,242,609.83**	**Php1,469,113.18**

The Court finds petitioner's argument to be partially correct.

Indeed, the aforementioned documents clearly contain the nature of service on the face of the VAT ORs, hence, the corresponding input VAT is valid. However, only Exhibit "P-27-181" formed part of the disallowances per the Decision dated September 10, 2023, therefore, only this OR supporting the input VAT claim of Php734,269.03 *(the sum of Php18,596.31 Php98,570.19 Php617,102.53)* will be reconsidered in the re-computation of petitioner's valid input VAT for the four (4) quarters of calendar year 2018.

In light of the foregoing, petitioner's valid input VAT is increased to the amount of Php3,912,000.73, computed as follows:

Input VAT Claim		Php21,616,914.71
Less: Disallowances		
Per ICPA Report	Php 6,547,175.06	
Per this Court's further verification	11,892,007.95	
Total Disallowances per the Court's September 10, 2024 Decision	Php18,439,183.01	
Less: reconsidered input VAT per petitioner's Motion for Partial Reconsideration	734,269.03	17,704,913.98

Valid Input VAT, as amended		**Php3,912,000.73**

Since petitioner's sales for the first (1st) to fourth (4th) quarters of 2018 were all zero-rated, the valid input taxes are wholly attributable to the valid portion of said zero-rated sales. Considering the revised amount of valid input tax as herein computed, it follows that the refundable input VAT attributable to valid zero-rated sales shall be modified into the amount of Php3,888,799.15, thus:

Valid Input VAT	Php 3,912,000.73
Divided by: Declared Zero-rated Sales/Receipts	888,563,454.98
Multiplied by: Valid Zero-rated Sales/Receipts	883,293,500.00
Input VAT Attributable to Valid Zero-rated Sales/Receipts	**Php3,888,799.15**

That having been settled the Court shall now proceed to discuss the merit of respondent's Motion.

Respondent's Motion for Partial Reconsideration

In his Motion, respondent prays that petitioner's claim for refund of zero-rated input VAT be entirely denied based on the following grounds:

1) the exhibits of petitioner should not be given any probative value for being hearsay evidence;

2) petitioner failed to prove that the services were rendered in the Philippines;

3) that as a rule, services rendered by petitioner, an ROHQ based in the Philippines, to its parent company outside the Philippines and its related company do not fall under the transactions subject to zero-percent VAT rate; and,

4) petitioner failed to substantiate its claim for tax refund at the administrative level resulting to the denial of its claim for VAT refund, hence its judicial claim should also be dismissed.

On the other hand, in its Comment, petitioner asserts that the evidence adequately shows that the contracted services were rendered in the Philippines. Petitioner points out that respondent did not raise the issue of probative value when petitioner filed its Formal Offer of Evidence (FOE) on June 29, 2022 or in its Supplemental FOE filed on May 26, 2023. Petitioner further asserts that its services were not rendered to its parent company in Hong Kong but to corporations other than its parent company which are doing business and established outside the Philippines (*i.e.*, USA, UK, and Japan). Petitioner submits that in the course of trial, respondent failed to rebut the testimonies of its witnesses or present any countervailing evidence in proving that the subject services rendered to petitioner's foreign clients were performed within the Philippines. As such, petitioner claims that other than the self-serving assertion of respondent, it is clear that the services rendered by petitioner to Asurion Insurance Services, Inc., Asurion Europe Limited, and Acyan Corporation are services not rendered to a parent company. Lastly, petitioner maintains that the Court is not bound by the observations, findings of fact and reasons for denial of the administrative claim and it may conduct its own independent fact-finding.

After due consideration, the Court finds respondent's Motion for Partial Reconsideration bereft of merit.

At the outset, the *first* and *fourth* grounds raised by respondent are mere restatements of the matters in his *Memorandum* posted on January 4, 2023.[4] All of which have already been considered and resolved by the Court in the Decision, and thus no longer need to be addressed further.

Petitioner was able to sufficiently prove that the services were rendered in the Philippines.

With regard to the *second* ground, respondent claims that petitioner failed to sufficiently establish that the services subject of the case were performed in the Philippines.

Again, in the Decision, the Court held that while the Service Agreement entered into by petitioner with Asurion Insurance Services, Inc. does not contain a clause that categorically states that petitioner's services shall be exclusively rendered in the Philippines, petitioner's Finance Manager, Mr. Santiago De Guzman II, however testified, that the services enumerated in the Service Agreement were performed in the Philippines.[5] This was further corroborated by the court-commissioned ICPA through his sworn statement.[6] As such, the unrebutted and uncontradicted testimony of petitioner's witnesses stating that the services were rendered in the Philippines is sufficient proof to establish said fact.

Also worth noting is that respondent failed to raise his objections when petitioner presented its evidence. All objections to petitioner's evidence should have been raised during trial when the opportunity presented itself, especially

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[4] Docket, pp. 771-784.
[5] *Id.,* Exhibit "17", p. 219.
[6] *Id.,* Exhibit "P-18", p. 468.

the rebuttal of the testimonies of petitioner's witnesses in relation to the performance of services in the Philippines. Hence, the Court maintains its ruling.

Petitioner did not render services to its parent company.

As to the *third* ground, respondent claims that the services rendered by petitioner, an ROHQ based in the Philippines, to its parent company outside the Philippines and related company do not fall under the transactions subject to zero-percent VAT rate based on the the Court of Tax Appeals (CTA) case of *Institutional Shareholder Services, Inc. Philippine ROHQ vs. Commissioner of Internal Revenue (CTA Case No. 7662, June 3, 2010).*

Unfortunately, respondent is mistaken.

Suffice it to state that CTA decisions do not constitute precedents. That is why CTA decisions are appealable to the Supreme Court, which may affirm, reverse, or modify said decisions as the facts and the law may warrant. Only decisions of the Supreme Court constitute binding precedents, forming part of the Philippine legal system.[7]

Nonetheless, in the cited case, the Court held that the mother company of the ROHQ may not be considered as an affiliate, subsidiary or branch, as the petitioner ROHQ and its mother company must be considered as one and the same entity for purposes of taxation. The same facts do not obtain in this case, as the subject services were rendered to Asurion Insurance Services, Inc., which is not petitioner's parent company.

Accordingly, nothing is left for this Court but to deny respondent's Motion for Partial Reconsideration.

WHEREFORE, premises considered, respondent's Motion for Partial Reconsideration (of the Decision dated 10 September 2024) is **DENIED** for lack of merit.

On the other hand, petitioner's Motion for Partial Reconsideration (Re: Decision dated September 10, 2024) is **PARTIALLY GRANTED**. Accordingly, the Decision dated September 10, 2024 is hereby **MODIFIED** to read as follows:

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[7] *Commissioner of Internal Revenue v. San Roque Power Corporation, et. al.*, G.R. Nos. 187485, 196113 and 197156, February 12, 2013.

"**WHEREFORE**, in light of the foregoing consideration, the present *Petition for Review* is **PARTIALLY GRANTED**. Accordingly, respondent is **ORDERED TO REFUND** in favor of petitioner the amount of **Php3,888,799.15** representing petitioner's excess and unutilized input VAT attributable to its zero-rated sales for the four (4) quarters of the CY 2018.

SO ORDERED."

SO ORDERED.

MA. BELEN M. RINGPIS-LIBAN
Associate Justice

WE CONCUR:

MARIA ROWENA MODESTO-SAN PEDRO
Associate Justice

CORAZON G. FERRER-FLORES
Associate Justice

ATTESTATION

I attest that the conclusions in the above Amended Decision were reached in consultation before the case was assigned to the writer of the opinion of the Court.

MA. BELEN M. RINGPIS-LIBAN
Associate Justice
Chairperson

CERTIFICATION

Pursuant to Article VIII, Section 13 of the Constitution, and the Division Chairperson's Attestation, it is hereby certified that the conclusions in the above Amended 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