

**REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY**

SPECIAL SECOND DIVISION

**EISKIN LABORATORIES,
INC., as represented by Evelina
E. Lazaro and/or Teodorico M.
Alcantara,**

Petitioner,

- versus -

**COMMISSIONER OF
INTERNAL REVENUE,**

Respondent.

CTA CASE NO. 10596

Members:

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

Promulgated:

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DECISION

FERRER-FLORES, J.:

THE CASE

Before this Court is a **Petition for Review** filed by petitioner **Eiskin Laboratories, Inc.** on July 23, 2021 against respondent **Commissioner of Internal Revenue** praying for the Court to render judgment:

1. setting aside the Preliminary Assessment (PAN) dated January 8, 2021 and the Formal Letter of Demand and Final Assessment Notice (FLD/FAN) all dated February 2, 2021; and,
2. declaring the assessments for alleged deficiency income tax, value-added tax (VAT), expanded withholding tax (EWT), improperly accumulated earnings tax (IAET), and compromise penalty in the total amount of ₱14,092,919.72 as void for utter lack of merit, for having prescribed, and for

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having been made in gross violation of petitioner's constitutional right to due process.¹

THE PARTIES

Petitioner Eiskin Laboratories, Inc. is a domestic corporation duly incorporated and organized under and by virtue of the laws of the Republic of the Philippines, with office address located at 2nd Floor Hanston Square Building, 17 San Miguel Avenue, Brgy. San Antonio, Pasig City.²

Respondent is the Commissioner of Internal Revenue who is duly appointed and empowered to perform the duties of his office, including, among others, the duty to act on assessments, with office address at the Bureau of Internal Revenue (BIR) National Office Building, Agham Road, Diliman, Quezon City.³ He is vested with authority to administer and enforce all laws pertaining to internal revenues taxes and has jurisdiction to decide on disputed tax assessments in accordance with law and the rules and regulations thereto.⁴

ANTECEDENTS (ADMINISTRATIVE LEVEL)

On July 13, 2018, the BIR issued Letter of Authority (LOA) No. SN: eLA201600002992/LOA-043-2018-00000470,⁵ signed by Regional Director Marina C. De Guzman of Revenue Region No. 7 – Quezon City, authorizing Revenue Officer (RO) Wilvie Polancos and Group Supervisor (GS) Nenita Crespo to examine petitioner's books of accounts and other accounting records for all internal revenue taxes for the period January 1, 2017 to December 31, 2017. The said LOA was received by a certain Czarine Lavarias on July 19, 2018.⁶

Petitioner, thereafter, submitted the various documents required in the Checklist of Documents attached to the LOA.⁷

On November 29, 2018, petitioner, through its counsel, sent its letter/protest to the LOA to the BIR.⁸ In its letter, petitioner sought an explanation for its audit for the third consecutive taxable year, considering that two prior LOAs had already been issued for the periods January 1, 2015

¹ Statement of the Case, Pre-Trial Order dated July 20, 2022, Docket – Vol. 2, p. 963.

² Par. 4, *Petition for Review*, vis-à-vis par. 2, *Answer*, Docket – Vol. 1, p. 9 and Docket – Vol. 2, p. 805, respectively.

³ Par. 1, Stipulation of Facts, *Joint Stipulation of Facts and Issues (JSFI)*, Docket – Vol. 2, p. 948.

⁴ Par. 2, Stipulation of Facts, *JSFI*, Docket – Vol. 1, p. 948.

⁵ Par. 3, Stipulation of Facts, *JSFI*, Docket – Vol. 1, p. 948; Exhibits "P-3" and "R-1", BIR Records, p. 258.

⁶ Exhibits "P-3" and "R-1", BIR Records, p. 258.

⁷ Par. 3, Stipulation of Facts, *JSFI*, Docket – Vol. 1, pp. 948 to 949.

⁸ Par. 4, Stipulation of Facts, *JSFI*, Docket – Vol. 1, p. 949; Exhibit "P-8", Docket – Vol. 1, pp. 68 to 70.

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to December 31, 2015 and January 1, 2016 to December 31, 2016. Petitioner cited Section III, Item 4 of Revenue Memorandum Order (RMO) No. 19-2015, which requires the Revenue District Officer (RDO), Large Taxpayers Division (LTD), or Large Taxpayers Audit Division (LTAD) to submit a written explanation to respondent justifying the audit of a taxpayer for three consecutive years.

In a letter dated November 22, 2018, petitioner's counsel, Mendoza Navarro-Mendoza & Partners, informed the BIR that any future notices or process relative to the subject LOA should be communicated solely to the firm.⁹ Attached to the said letter is an authorization issued by petitioner in favor of its counsel.¹⁰

On January 15, 2019, the BIR issued a *Subpoena Duces Tecum* against petitioner requiring, among others, the presentation and submission of all the required books of account and other accounting records.¹¹

Subsequently, the PAN with Details of Discrepancies dated January 8, 2021, signed by Regional Director (RD) Romulo L. Aguila Jr., was issued to petitioner.¹²

On February 2, 2021, the BIR, through RD Aguila, issued FLD No. 043-2020-B179-17 with FANs all dated February 2, 2021, assessing petitioner for deficiency income tax, VAT, EWT, IAET and compromise penalty, amounting to ₱10,375,068.95, ₱2,238,810.52, ₱344,943.15, ₱1,114,097.10 and ₱20,000.00, respectively, inclusive of statutory increments, or for the total amount of ₱14,092,919.72, for taxable year 2017.¹³

Thereafter, on April 27, 2021, petitioner filed with the BIR its Protest to the Formal Letter of Demand dated April 26, 2021.¹⁴

The BIR, through RD Edgar B. Tolentino, then issued the letter dated June 3, 2021, stating that petitioner failed to file a valid protest within the time prescribed pursuant to Section 3.1.4 of Revenue Regulations (RR) No. 18-2013, hence, the assessment had already become final, executory and demandable.¹⁵

⁹ Exhibit "P-9", Docket – Vol. I, p.71.

¹⁰ Exhibit "P-10", Docket – Vol. I, p. 72.

¹¹ Par. 5, Stipulation of Facts, *JSFI*, Docket – Vol. 1, p. 949; Exhibits "P-11" and "R-7", BIR Records, p. 257.

¹² Par. 6, Stipulation of Facts, *JSFI*, Docket – Vol. 1, p. 949; Exhibit "P-15", Docket – Vol. 1, pp. 126 to 133; Exhibit "R-17", BIR Records, pp. 329 to 334.

¹³ Par. 7, Stipulation of Facts, *JSFI*, Docket – Vol. 1, p. 949; Exhibit "P-13", Docket – Vol. 1, pp. 77 to 89; Exhibit "R-21", BIR Records, pp. 564 to 574.

¹⁴ Exhibit "P-14", Docket – Vol. 1, pp. 90 to 125.

¹⁵ Exhibit "P-2", Docket – Vol. 1, p. 62.

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PROCEEDINGS BEFORE THE COURT

On July 23, 2021, petitioner filed the present *Petition for Review*.¹⁶

Within the extended period granted by the Court,¹⁷ on December 20, 2021, respondent filed his *Answer*,¹⁸ interposing his special and affirmative defenses.

Respondent transmitted the BIR Records of the present case on January 4, 2022, consisting of one folder, composed of 716 pages.¹⁹

On February 23, 2022, petitioner filed its *Reply (Re: Answer dated 17 December 2021)*.²⁰

The Pre-Trial Conference was set and held on May 26, 2022.²¹ Prior thereto, petitioner's *Pre-Trial Brief* was filed on May 18, 2022;²² while, *Respondent's Pre-Trial Brief* was submitted on May 23, 2022.²³

On June 28, 2022, the parties submitted their *Joint Stipulation of Facts and Issues*,²⁴ which was admitted and approved by the Court in its Resolution dated July 4, 2022,²⁵ thereby deeming the termination of the Pre-Trial. The Pre-Trial Order dated July 20, 2022 was then issued.²⁶

Trial ensued, with both parties presenting and offering their respective documentary and testimonial evidence.

Petitioner offered the testimonies of the following individuals, namely: (1) Ms. Evelina E. Lazaro,²⁷ petitioner's Finance Comptroller; (2) Mr.

¹⁶ Docket – Vol. 1, pp. 8 to 61.

¹⁷ Respondent's *Motion for Extension of Time to File Answer* dated November 17, 2021, Docket – Vol. 2, pp. 796 to 798; Resolution dated December 16, 2021, Docket – Vol. 2, p. 801.

¹⁸ Docket – Vol. 2, pp. 805 to 823.

¹⁹ Respondent's transmittal letter dated December 27, 2021, Docket – Vol. 2, pp. 802.

²⁰ Docket – Vol. 2, pp. 825 to 841.

²¹ Notice of Pre-Trial Conference dated February 23, 2022, Docket – Vol. 2, pp. 845 to 846; Minutes of the hearing held on, and Order dated, May 26, 2022, Docket – Vol. 2, pp. 938 to 941.

²² Docket – Vol. 2, pp. 848 to 856.

²³ Docket – Vol. 2, pp. 862 to 865; attached to Respondent's *Compliance* dated May 20, 2022, Docket – Vol. 2, pp. 859 to 860.

²⁴ Docket – Vol. 2, pp. 948 to 955.

²⁵ Docket – Vol. 2, p. 960.

²⁶ Docket – Vol. 2, pp. 963 to 971.

²⁷ Exhibit "P-30", Docket – Vol. 1, pp. 343 to 356; Minutes of hearing held on, and Order dated, July 20, 2023, Docket – Vol. 2, pp. 1118 to 1119.

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Teodorico M. Alcantara, Jr.,²⁸ petitioner's Accounting Manager; and, (3) Mr. Christopher G. Boco,²⁹ the Court-commissioned Independent Certified Public Accountant (ICPA).³⁰

Upon joint motion, the case was referred to the Philippine Mediation Center Unit-Court of Tax Appeals (PMC-CTA) on September 28, 2022.³¹

On September 30, 2022, the parties filed their *Joint Motion to Suspend Proceedings*,³² stating that proceeding with the scheduled hearings while compromise negotiations were ongoing would entail duplication of efforts and unnecessary expenditure of the parties' and the Court's resources. In the Resolution dated October 6, 2022,³³ the Court granted the *Joint Motion* and the proceedings on the case were suspended for 30 days. On November 23, 2022, the Mediator assigned to the case, with the conformity of the parties, filed a *Request for Extension* for 30 days,³⁴ which the Court granted in its Resolution dated December 13, 2022.³⁵

On January 11, 2023, the parties filed their *Manifestation with Urgent Joint Motion to Suspend Proceedings*,³⁶ stating that the compromise offer submitted by petitioner was still pending before respondent for his approval. In the Resolution dated January 18, 2023,³⁷ the Court granted the parties' *Urgent Joint Motion*.

The PMC-CTA then issued the *Mediator's Report* dated July 12, 2023,³⁸ stating that there was unsuccessful mediation between the parties.

The *Report* of the ICPA was submitted to the Court on July 31, 2023.³⁹

On December 13, 2023, petitioner filed its *Formal Offer of Evidence*.⁴⁰ Respondent failed to file his comment thereon.⁴¹ In the Resolution dated 

²⁸ Exhibit "P-31", Docket – Vol. 1, pp. 639-A to 647; Minutes of hearing held on, and Order dated, September 21, 2022, Docket – Vol. 2, pp. 1010 to 1011; Minutes of the hearing held on, and Order dated, March 30, 2023, Docket – Vol. 2, pp. 1076 and 1080 to 1081, respectively.

²⁹ Minutes of the hearing held on, and Order dated November 28, 2023, Docket - Vol. 3, pp. 1332 to 1334.

³⁰ Oath of Commission dated March 30, 2023, Docket – Vol. 2, p. 1079; Minutes of the hearing held on, and Order dated, March 30, 2023, Docket – Vol. 2, pp. 1076 and 1080 to 1081, respectively.

³¹ Minutes of hearing held on, and Order dated, September 21, 2022, Docket – Vol. 2, pp. 1010 to 1011.

³² Docket – Vol. 2, pp. 1027 to 1030.

³³ Docket – Vol. 2, pp. 1035 to 1036.

³⁴ Docket – Vol. 2, p. 1040.

³⁵ Docket – Vol. 2, pp. 1042 to 1043.

³⁶ Docket – Vol. 2, pp. 1044 to 1047.

³⁷ Docket – Vol. 2, pp. 1051 to 1052.

³⁸ Docket – Vol. 2, p. 1109.

³⁹ Minute Resolution dated August 23, 2023, Docket – Vol. 3, p. 1327.

⁴⁰ Docket – Vol. 3, pp. 1335 to 1345.

⁴¹ Records Verification dated January 12, 2024, issued by the Judicial Records Division of this Court, Docket – Vol. 3, p. 1393.

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April 30, 2024,⁴² the Court admitted petitioner's offered exhibits, except Exhibits "P-9", "P-12", and "P-29", for failure to identify.

Petitioner then filed its *Manifestation with Partial Motion for Reconsideration (Re: Resolution dated 30 April 2024)* on May 21, 2024.⁴³ Respondent, again, failed to file his comment thereon.⁴⁴ In the Resolution dated October 2, 2024,⁴⁵ the Court noted and partially granted petitioner's *Manifestation with Partial Motion Reconsideration*, thereby admitting Exhibits "P-9" and "P-12", but still denying the admission of Exhibit "P-29".

For his part, respondent presented the testimony of GS Crespo.⁴⁶

On April 28, 2025, *Respondent's Formal Offer of Evidence* was filed,⁴⁷ to which petitioner filed its *Comment/Opposition (Re: Respondent's Formal Offer of Evidence dated 28 April 2025)* on May 9, 2025.⁴⁸ In the Resolution dated July 4, 2025,⁴⁹ the Court admitted all of respondent's offered exhibits.

On August 29, 2025, petitioner filed its *Memorandum*.⁵⁰ Respondent failed to file his memorandum.⁵¹

This case was considered submitted for decision on October 1, 2025.⁵²

THE STIPULATED ISSUES

As stipulated by the parties, the issues for this Court's resolution are as follows:

1. Whether or not the Court has jurisdiction to take cognizance of the instant *Petition*;
2. Whether or not the disputed tax assessments are null and void;
and,

⁴² Docket – Vol. 3, pp. 1396 to 1398.

⁴³ Docket – Vol. 3, pp. 1399 to 1405.

⁴⁴ Records Verification dated June 25, 2024, issued by the Judicial Records Division of this Court, Docket – Vol. 3, p. 1409.

⁴⁵ Docket – Vol. 3, pp. 1412 to 1415.

⁴⁶ Exhibit "R-27", Docket – Vol. 2, pp. 866 to 883; Minutes of hearing held on, and Order dated, March 27, 2025, Docket – Vol. 3, pp. 1427 to 1428.

⁴⁷ Docket – Vol. 3, pp. 1439 to 1443.

⁴⁸ Docket – Vol. 3, pp. 1447 to 1455.

⁴⁹ Docket – Vol. 3, pp. 1461 to 1462.

⁵⁰ Docket – Vol. 3, pp. 1464 to 1517.

⁵¹ Records Verification dated September 15, 2025, issued by the Judicial Records Division of this Court, Docket Vol. 3, p. 1521.

⁵² Minute Resolution dated October 1, 2025, Docket – Vol. 3.

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3. Whether or not petitioner is liable to pay the disputed tax assessments.⁵³

Petitioner's argument:

Petitioner forwards the following arguments – *first*, that the entire assessment is void on account of the nullity and/or invalidity of the LOA; *second*, that it was not accorded due process, thus, the tax assessment is void; *third*, that the statement that the interest and total amount due is still subject to modification if paid beyond the date specified therein, as indicated in the FLD/FAN, makes the amount of tax liability indefinite, hence, the assessment made is null and void; *fourth*, the subject assessment is already barred by prescription; and *lastly*, that it is not liable for the tax deficiency assessment issued against it.

Respondent's counter-arguments:

In his *Answer*, respondent contends that this Court has no jurisdiction over the instant *Petition* as the assessment has already become final, executory and demandable for petitioner's failure to file a valid protest within the prescribed period. Respondent further insists that petitioner was accorded its right to due process despite its non-compliance with the requests for the presentation of accounting records. He also avers that there is no necessity for the revalidation of the subject LOA. Respondent likewise contends that the Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act did not abolish the IAET liability of the petitioner. In sum, respondent argues that the subject assessments are valid and proper.

THE COURT'S RULING

The present *Petition for Review* is meritorious.

This Court's jurisdiction to entertain the present appeal

Respondent argues that petitioner filed its letter entitled Protest to the Formal Letter of Demand dated April 26, 2021 and the same was received by respondent only on April 27, 2021, or 78 days from petitioner's receipt of the FLD/FAN. Thus, the said letter is deemed to be grossly filed out of time and the assessment had become final, executory and demandable. He continues that petitioner erred in claiming that the June 3, 2021 letter issued by the Regional Director was his "final decision" on petitioner's protest, there being

⁵³ Stipulation of Issues, *JSFI*, Docket – Vol. 2, p. 949.

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no valid protest to speak of. He also avers that the letter dated June 3, 2021 did not discuss the merits of any communication sent by the petitioner after its protest dated April 26, 2021, but merely stated that the petitioner failed to file its valid protest within the prescribed time; thus, the assessment had already become final, executory and demandable.

On the other hand, petitioner alleges that the letter dated June 3, 2021, signed by Regional Director Edgar B. Tolentino, is deemed a denial of its protest. According to petitioner, since it received said letter on June 24, 2021, it had 30 days therefrom, or until July 26, 2021, as July 24, 2021 fell on a Saturday, to file its *Petition for Review*. Petitioner, thus, insists that the same was timely filed on July 23, 2021.

We rule in favor of petitioner.

Petitioner timely filed the present *Petition for Review*.

Pursuant to Section 11 of Republic Act (R.A.) No. 1125,⁵⁴ as amended by R.A. No. 9282,⁵⁵ the party adversely affected by a decision or ruling or inaction of respondent must observe the 30-day period to file the appeal before this Court, viz:

SEC. 11. *Who May Appeal; Mode of Appeal; Effect of Appeal.* – **Any party adversely affected by a decision, ruling or inaction of the Commissioner of Internal Revenue ... may file an appeal with the CTA within thirty (30) days after the receipt of such decision or ruling or after the expiration of the period fixed by law for action as referred to in Section 7(a)(2) herein.** (Emphases added)

Based on the above provision, the appeal must be filed by the party adversely affected within 30 days from receipt of the decision or ruling, or after the expiration of the period fixed by law for action.

In the present case, petitioner correctly reckoned the 30-day period to appeal to this Court from receipt of the letter dated June 3, 2021 of respondent on June 24, 2021.⁵⁶

The letter dated June 3, 2021 reads, in part, as follows:

⁵⁴ An Act Creating the Court of Tax Appeals.

⁵⁵ An Act Expanding the Jurisdiction of the Court of Tax Appeals (CTA), Elevating its Rank to the Level of a Collegiate Court with Special Jurisdiction and Enlarging its Membership, Amending for the Purpose Certain Sections of Republic Act No. 1125, as amended, Otherwise Known as The Law Creating the Court of Tax Appeals, and for Other Purposes.

⁵⁶ Exhibit "P-2", Docket – Vol. I, p. 62; Refers to Q&A Nos. 67 to 69, Exhibit "P-30", and Q&A Nos. 34 to 36, Exhibit "P 31", Docket – Vol. I, pp. 354 and 645, respectively.

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xxx In this case, since the FLD was received on February 8, 2021 by Mr. John Edward Avecilla – Accounting Associate, your right to protest has lapsed on March 11, 2021.

In view of your failure to file a valid protest within the time prescribed pursuant to the above-stated provision, the assessment became final, executory and demandable. Accordingly, the entire tax docket of the case together with your letter will be forwarded to Collection Division, this Region, for enforcement of collection through summary remedies provided for by law. xxx (Emphasis added)

Considering the foregoing, although the said letter did not discuss respondent's ruling on the subject assessments on the merits, **it is clear that the letter dated June 3, 2021, having the character of finality, may be treated as respondent's final decision**, which, in turn, may already be appealed to this Court.

Thus, counting 30 days from June 24, 2021, petitioner had until July 26, 2021⁵⁷ to file its appeal to this Court. Considering that petitioner filed its appeal on July 23, 2021,⁵⁸ the Court has jurisdiction to entertain the appeal.

Validity of the subject tax assessments

Petitioner contends that the subject tax assessment under the FLD/FAN clearly lacks the definite amount of tax liabilities due, if any. Petitioner states that the statement that the interest and total amount due is still subject to modification if paid beyond the date specified therein, as indicated in the FLD/FAN, makes the amount of tax liability indefinite, hence, the assessment made is null and void.

The Court agrees with petitioner.

An assessment refers to the determination of amounts due from a person obligated to make payments.⁵⁹ It is a written notice and demand made by the BIR on the taxpayer for the settlement of a **due tax liability that is there definitely set and fixed**.⁶⁰

In *Commissioner of Internal Revenue vs. Fitness By Design, Inc. (Fitness By Design)*,⁶¹ the Supreme Court emphasized the importance of the issuance of a valid formal assessment. It held that the assessment must

⁵⁷ July 24, 2021 fell on a Saturday.

⁵⁸ Docket – Vol. 1, pp. 8 to 61.

⁵⁹ *SMI-ED Philippines Technology, Inc. vs. Commissioner of Internal Revenue*, G.R. No. 175410, November 12, 2014.

⁶⁰ *Adamson, et al. vs. Court of Appeals, et al., et seq.*, G.R. Nos. 120935 and 124557, May 21, 2009.

⁶¹ G.R. No. 215957, November 9, 2016.

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demand payment of the taxes described within a specific period, and that the amount of tax liability for which the taxpayer is accountable must be definite, viz:

The issuance of a valid formal assessment is a substantive prerequisite for collection of taxes. Neither the National Internal Revenue Code nor the revenue regulations provided for a ‘specific definition or form of an assessment.’ However, the National Internal Revenue Code defines its explicit functions and effects. **An assessment does not only include a computation of tax liabilities; it also includes a demand for payment within a period prescribed. Its main purpose is to determine the amount that a taxpayer is liable to pay.**

XXX

XXX

XXX

A final assessment is a notice ‘to the effect that the amount therein stated is due as tax and a demand for payment thereof.’ This demand for payment signals the time ‘when the penalties and interests begin to accrue against the taxpayer and enabling the latter to determine his remedies[.]’ Thus, it must be ‘sent to and received by the taxpayer, and **must demand payment of the taxes described therein within a specific period.**’

Compliance with Section 228 of the National Internal Revenue Code is a substantive requirement. It is not a mere formality. Providing the taxpayer with the factual and legal bases for the assessment is crucial before proceeding with tax collection. **Tax collection should be premised on a valid assessment**, which would allow the taxpayer to present his or her case and produce evidence for substantiation.” (Emphases added)

From the foregoing, in order for the FLD/FAN to be valid, it must contain the following: (1) it must demand a definite amount of tax liability; and, (2) it must provide a clear due date for payment.

In this case, the FLD/FAN dated February 2, 2021,⁶² reveals that, similar to the circumstances in *Fitness By Design*, although the same FLD/FAN provides for the computation of petitioner’s tax liabilities, the **amounts thereof remain indefinite**, since the tax dues are still subject to modification. Specifically, the subject FLD/FAN states:

*Please note that the interest and the total amount due shall be **assessed and collected from the date prescribed herein for payment until the full payment thereof.*** (Emphasis added)

It is, thus, clear that the amounts of deficiency taxes that petitioner is allegedly liable for are still **indefinite**, since the same are still subject to further adjustment to conform to the actual date of payment.

⁶² Exhibit “P-13”, Docket – Vol. 1, pp. 77 to 89; Exhibit “R-21”, BIR Records, pp. 564 to 574.

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It is likewise noteworthy that the accompanying Assessment Notices⁶³ to the said FLD, **do not contain any due date** for the payment of the assessed deficiency taxes. In particular, the space in the said Assessment Notices where the due date is to be stated remained blank, just as in *Fitness By Design*.

Accordingly, the FLD/FAN dated February 2, 2021 cannot be considered valid tax assessments as provided for in the NIRC of 1997, as amended, since it lacks the definite amount of tax liability for which petitioner is accountable, nor the exact date by which payment must be made.

The requirement to indicate a fixed and definite period or a date certain within which a taxpayer must pay the assessed deficiency tax liabilities is indispensable to the validity of the assessment. Otherwise stated, an assessment *sans* a categorical demand for payment within a specific date or period is, in legal contemplation, void.

To reiterate, a final assessment notice must not only indicate the legal and factual bases of the assessment but **must also state a clear and categorical demand for payment** of the computed tax liabilities within a specific period.⁶⁴ It bears stressing that respondent must indicate with absolute clarity the categorical demand for payment within a specific date in the Assessment Notices, lest it be declared fatally infirm.

Absent a valid demand, as in this case, the FLD and FANs are void. Being void assessments, they bear no fruit.⁶⁵ Such being the case, the same cannot be enforced against petitioner, and the BIR has no right to collect the same.

In view of the nullity of the subject tax assessments, as above discussed, this Court finds it unnecessary to address the remaining issues or matters raised in the present case.

ACCORDINGLY, the present **Petition for Review** is **GRANTED**. The Formal Letter of Demand and Final Assessment Notices dated February 2, 2021 issued against petitioner for alleged deficiency income tax, value-added tax, expanded withholding tax, improperly accumulated earnings tax, and compromise penalty, in the total amount of ₱14,092,919.72, inclusive of interests, for taxable year 2017 are **CANCELLED** and **SET ASIDE**. 

⁶³ Exhibit "P-13", Docket – Vol. 1, at pp. 85 to 89; Exhibit "R-21", BIR Records, at pp. 571 to 575.

⁶⁴ *Commissioner of Internal Revenue vs. Fitness By Design, Inc.*, G.R. No. 215957, November 9, 2016.

⁶⁵ *Commissioner of Internal Revenue vs. Metro Star Superama, Inc.*, G.R. No. 185371, December 8, 2010.

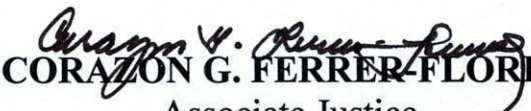
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SO ORDERED.


CORAZON G. FERRER-FLORES
Associate Justice

WE CONCUR:


MA. BELEN M. RINGPIS-LIBAN
Presiding 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.


MA. BELEN M. RINGPIS-LIBAN
Presiding Justice