



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

SPECIAL FIRST DIVISION

CTA CASE NO. 10993

**NIPPON EXPRESS PHILIPPINES
CORPORATION,**

Petitioner,

- versus -

NOTICE OF RESOLUTION

**COMMISSIONER OF INTERNAL
REVENUE,**

Respondent.

To:

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

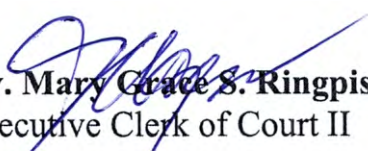
ATTY. CLARISSA J. VIRTUDES-BABARAN
Bureau of Internal Revenue
Room 703, Litigation Division, BIR National Office Building
Sen. Miriam P. Defensor-Santiago Avenue
Diliman, Quezon City

EMMANUEL C. ALCANTARA AND ASSOCIATES LAW OFFICES
5th Floor, SGV I Building
6760 Ayala Avenue
1226 Makati City

GREETINGS:

You are hereby notified by these presents that on **August 13, 2026**, a Resolution was rendered in the above-entitled case, copy of which is attached hereto.

Quezon City, Philippines, **August 24, 2026.**


Atty. Mary Grace S. Ringpis
Executive Clerk of Court II

**REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
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SPECIAL FIRST DIVISION

**NIPPON EXPRESS
PHILIPPINES
CORPORATION,**

Petitioner,

CTA CASE NO. 10993

Members:

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

- versus -

**COMMISSIONER OF
INTERNAL REVENUE,**
Respondent.

Promulgated:

AUG 13 2026 3:00 PM

X- - - - -X

RESOLUTION

CUI-DAVID, J.:

This resolves respondent's *Motion for Partial Reconsideration (Re: Decision promulgated 30 April 2026) [Motion]*, filed on May 20, 2026, with petitioner's *Comment and Opposition (to Respondent's Motion for Partial Reconsideration dated 13 May 2026)*, filed on July 13, 2026.

Respondent seeks the partial reconsideration of the Court's *Decision* promulgated on April 30, 2026 (**assailed Decision**), the dispositive portion of which reads:

WHEREFORE, premises considered, the present *Petition for Review* filed by petitioner Nippon Express Philippines Corporation is **PARTIALLY GRANTED**. Accordingly, respondent Commissioner of Internal Revenue is **ORDERED TO REFUND** the amount of **₱6,631,071.24**, representing petitioner's excess and unutilized input Value-Added Tax for the 2nd and 3rd Quarters of taxable year 2020 which is attributable to its zero-rated or effectively zero-rated sales for the same period.

SO ORDERED.

RESOLUTION

CTA Case No. 10993

Nippon Express Philippines Corporation v. Commissioner of Internal Revenue

Page 2 of 4

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Respondent anchors the instant *Motion* on the sole ground that:

WHETHER THE HONORABLE COURT ERRED IN RULING THAT PETITIONER IS ENTITLED TO REFUND IN THE REDUCED AMOUNT OF ₱6,631,071.24 REPRESENTING ALLEGED EXCESS AND UNUTILIZED INPUT VAT ALLEGEDLY ATTRIBUTABLE TO ZERO-RATED SALES FOR THE 2ND AND 3RD QUARTERS OF TAXABLE YEAR 2020.

Respondent avers that, in the assailed *Decision*, the Court ruled that petitioner had sufficiently proven its entitlement to a refund in the aggregate amount of ₱6,631,071.24, representing alleged excess and unutilized input value-added tax (**VAT**) attributable to zero-rated sales for the 2nd and 3rd quarters of taxable year 2020.

However, respondent claims that the Court should have dismissed the *Petition for Review* for failure of petitioner to substantiate its administrative claim for refund. Citing the Supreme Court's ruling in *Pilipinas Total Gas, Inc. v. Commissioner of Internal Revenue*¹ (**Total Gas**), respondent submits that since a decision had already been rendered at the administrative level, the jurisdiction of the Court shifts from a trial court to an appellate tribunal; hence, the Court should confine itself to whether the findings of respondent are consistent with law.

Respondent adds that since a decision has been rendered in this case denying petitioner's administrative claim for refund for failure to substantiate the same, petitioner cannot submit documents it did not submit at the administrative level. Moreso, the Court is confined to a more limited issue of whether the denial was proper given the evidence submitted at the administrative level.

Lastly, even if the Court ignored the ruling in *Total Gas*, respondent submits that petitioner's judicial claim for refund would still be unmeritorious. According to respondent, for petitioner to have a valid claim for refund of unutilized input VAT for the subject period, compliance with certain legal requisites must be proven. For respondent, petitioner failed on

¹ G.R. No. 207112, December 8, 2016 [Per J. Mendoza, *En Banc*].

RESOLUTION

CTA Case No. 10993

Nippon Express Philippines Corporation v. Commissioner of Internal Revenue

Page 3 of 4

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this part, particularly, with regard to the existence of zero-rated or effectively zero-rated sales.

In rejecting respondent's *Motion*, petitioner submits that the Court correctly partially granted its claim for refund.

According to petitioner, respondent's premise that the Court of Tax Appeals (**CTA**) must resolve the case based only on what was submitted to the Bureau of Internal Revenue (**BIR**) during the administrative proceeding is contrary to the nature of CTA litigation. For petitioner, the CTA is a court of record and cases before it are litigated *de novo*. In refund cases, the CTA's adjudication is based on the evidence formally offered and admitted during trial, not merely on what was attached to the administrative claim. Moreover, the Supreme Court has expressly recognized that since CTA cases are litigated *de novo*, "party litigants should prove every minute aspect of their case," and documents must be formally offered before the CTA to have evidentiary value.²

Respondent's *Motion* lacks merit.

It must be emphasized that Section 8 of Republic Act No. 1125,³ as amended, declares this Court as a "court of record." As such, it is required to conduct a trial *de novo* where the parties must present their evidence anew in order for the Court to take such evidence into consideration.⁴ The appealing party must establish that it is entitled to the refund being sought under substantive law. Correspondingly, the Court is authorized to conduct trial *de novo*, and consistent with this principle, parties who come to court are required to prove every aspect of their case if they want the Court to take such evidence into consideration.⁵

Moreover, the power of the Court to exercise its appellate jurisdiction does *not* preclude it from taking into account evidence that was *not* presented in the administrative claim before the BIR.⁶ The question of whether the evidence submitted

² *Atlas Consolidated Mining and Development Corporation v. Commissioner of Internal Revenue*, G.R. No. 145526, March 16, 2007 [Per J. Corona, First Division].

³ An Act Creating the Court of Tax Appeals.

⁴ *Commissioner of Internal Revenue v. Manila Mining Corporation*, G.R. No. 153204, August 31, 2005 [Per J. Carpio-Morales, Third Division].

⁵ *Philippine Airlines, Inc. (PAL) v. Commissioner of Internal Revenue*, G.R. Nos. 206079-80 & 206309, January 17, 2018 [Per J. Leonen, Third Division]; *Commissioner of Internal Revenue v. Philippine National Bank*, G.R. No. 180290, September 29, 2014 [Per J. Leonen, Second Division].

⁶ *Philippine Airlines, Inc. (PAL) v. Commissioner of Internal Revenue*, G.R. Nos. 206079-80 & 206309, January 17, 2018 [Per J. Leonen, Third Division].

RESOLUTION

CTA Case No. 10993

Nippon Express Philippines Corporation v. Commissioner of Internal Revenue

Page 4 of 4

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by a party is sufficient to warrant the granting of its prayer lies within the sound discretion and judgment of the Court. As cases filed before this Court are litigated *de novo*, the Court, is not governed strictly by technical rules of evidence, thus, is not precluded from considering evidence not presented at the administrative level for the paramount consideration remains the ascertainment of truth.⁷

Moreover, respondent's argument is unsupported by specifics. While insisting that petitioner improperly relied on documents not submitted during the administrative proceedings, respondent failed to identify the particular documents allegedly omitted at the administrative level but subsequently presented before the Court. Such generalized assertions cannot prevail over the evidence formally admitted and evaluated during trial.

In fine, after a careful consideration of respondent's arguments, the Court finds no cogent reason to disturb the assailed *Decision*. The evidence on record sufficiently establishes petitioner's entitlement to a refund, albeit only in the reduced amount of **₱6,631,071.24**. As thoroughly discussed in the assailed *Decision*, petitioner successfully satisfied the applicable legal and evidentiary requirements for the grant of its claim to that extent.

WHEREFORE, premises considered, respondent's *Motion for Partial Reconsideration (Re: Decision promulgated 30 April 2026)* is **DENIED** for lack of merit.

SO ORDERED.


LANEE S. CUI-DAVID
Associate Justice

I CONCUR:


JEAN MARIE A. BACORRO-VILLENA
Associate Justice

⁷ *Commissioner of Internal Revenue v. Univation Motor Philippines, Inc.*, G.R. No. 231581, April 10, 2019 [Per J. Reyes, Jr., J.].