REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

EN BANC

COMMISSIONER OF INTERNAL REVENUE, Petitioner,	**CTA EB NO. 2764** (CTA Case No. 9154)
	Present:
- versus -	**DEL ROSARIO,** *P.J.*, **RINGPIS-LIBAN, MANAHAN, BACORRO-VILLENA, MODESTO-SAN PEDRO, REYES-FAJARDO, CUI-DAVID, FERRER-FLORES,** *and* **ANGELES,** *JJ.*
DEUTSCHE KNOWLEDGE SERVICES PTE. LTD., Respondent.	Promulgated: MAY 28 2025 3:50 PM

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RESOLUTION

BACORRO-VILLENA, J.:

For the Court's resolution is petitioner Commissioner of Internal Revenue's (**petitioner**'s/**CIR**'s) "Motion for Reconsideration (Re: Decision promulgated 4 October 2024)"[1] (**MR**) filed on 28 October 2024, with respondent Deutsche Knowledge Services Pte., Ltd.'s (**respondent**'s) "Comment (Re: [MR] dated October 14, 2024)"[2] (**Comment**) filed on 16 December 2024. Subsequently, the MR was submitted for resolution on 20 January 2025.[3]

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1 *Rollo*, pp. 143-153.
2 Id., pp. 158-167.
3 See Minute Resolution dated 25 January 2025, id., p. 170.

In the MR, petitioner contests the *En Banc* Decision of 04 October 2024[4] (**assailed Decision**) which denied CIR's Petition for Review[5] and affirmed with modification the Special Third Division Decision in CTA Case No. 9154[6], thus ordering the refund of ₱15,281,016.32 representing the unutilized input value-added tax (**VAT**) attributable to its zero-rated sales from the third (**3rd**) quarter of calendar year (**CY**) 2013.

Petitioner reiterates his or her previous argument in the petition and insists that the law requires the creditable input taxes (subject of the refund) to be directly attributable to the zero-rated sales as ruled in the *En Banc* case of *Commissioner of Internal Revenue v. Coral Bay Nickel Corporation*.[7] However, as respondent's evidence fails to show the said direct attribution, the claim for refund must be denied.

Petitioner went on to explain that adopting the European system of taxation (where the Philippines' VAT taxation is generally based), only purchases related to the supplies which a taxpayer makes are to be refunded. Hence, the input taxes on unrelated purchases such as business entertainments, corporate events, and outside office meetings, must be excluded from the refund claim.

Citing Section 110[8] of the National Internal Revenue Code (**NIRC**) of 1997, as amended, petitioner further elaborates that the input taxes on the purchases of good and services should undergo the chain of production and eventually be converted or at least form part of the finished products.

On the other hand, respondent counters that petitioner's arguments are a complete rehash of those raised in the Motion for Partial Reconsideration[9] (**MPR**) and the Petition for Review which were passed upon in the Resolution of 23 May 2023[10] and the assailed Decision. Thus, this MR should be denied outright.

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[4] Id., pp. 90-129.
[5] Id., pp. 1-13.
[6] Entitled *Deutsche Knowledge Services Pte. Ltd. v. Commissioner of Internal Revenue*.
[7] C.T.A. EB Case Nos. 1735 & 1737, 09 January 2020.
[8] **SEC. 110.** ***Tax Credits.*** – ...
[9] Division Docket, Volume III, pp. 4148-4157.
[10] *Rollo*, pp. 66-71.

Nonetheless, responding to petitioner's main argument, respondent contends that under Section 110(B)[11] of the NIRC of 1997, as amended, it only requires the excess input tax to be related to a zero-rated activity. Moreover, in Revenue Regulations (**RR**) No. 16-2005[12], a taxpayer-claimant is allowed to determine the proportionate share of input taxes between VAT-able, zero-rated and exempt sales if it cannot be ascertained which of the input taxes are directly attributable to the specific kind of sales.

We resolve.

Although the present MR was timely filed on 28 October 2024[13], the arguments supporting it does not warrant the modification of Our previous Decision.

Clearly, the MR is a reiteration of the arguments in the previous Petition for Review which were already addressed in the assailed Decision. Thus, the Court shall no longer belabor itself with another exhaustive discussion on this same issue.

To avoid superfluity, the Court may deal with a rehash of similar arguments summarily in keeping with the Supreme Court's ruling in the case of *Ortigas and Company Limited Partnership v. Judge Tirso Velasco, et al.*[14], to wit:

> ...
> The filing of a motion for reconsideration, authorized by Rule 52 of the Rules of Court, does not impose on the Court the obligation to deal individually and specifically with the grounds relied upon therefor, in much the same way that the Court does in its judgment or final order as regards the issues raised and submitted for decision. This would be a useless formality or ritual invariably involving merely a reiteration of the reasons already set forth in the judgment or final order for rejecting the arguments advanced by the movant; and it

11 **SEC.** 110. *Tax Credits.* –
...
(B) *Excess Output or Input Tax.* – ...

12 Consolidated Value-Added Tax Regulations of 2005.

13 Reckoning from the receipt of the Office of the Solicitor General (**OSG**) on 11 October 2024, petitioner had fifteen (**15**) days, or until 26 October 2024 to file the Motion for Reconsideration (**MR**). However, as 26 October 2024 fell on a Saturday, time shall not run until the next working day, or in this case, 28 October 2024, following the provision of Section 1, Rule 22 of the 2019 Amendments to the Rules of Civil Procedure. See Notice of Decision, *rollo*, p. 89.

14 G.R. Nos. 109645 & 112564, 04 March 1996.

> would be a needless act, too, with respect to issues raised for the first time, these being, as above stated, deemed waived because not asserted at the first opportunity. It suffices for the Court to deal generally and summarily with the motion for reconsideration, and merely state a legal ground for its denial (Sec. 14, ART. VIII, Constitution); i.e., the motion contains merely a reiteration or rehash of arguments already submitted to and pronounced without merit by the Court in its judgment, or the basic issues have already been passed upon, or the motion discloses no substantial argument or cogent reason to warrant reconsideration or modification of the judgment or final order; or the arguments in the motion are too unsubstantial to require consideration, etc.
>
> ...

The above principle is further reiterated in the more recent case of *Shangri-La International Hotel Management, Ltd., et al. v. Developers Group of Companies, Inc.*[15] where the Supreme Court held, thusly:

> ...
> The bulk of the aforementioned grounds is a mere rehash of movant's previous arguments. While DGCI is correct in stating that a motion for reconsideration, by its very nature, may tend to dwell on issues already resolved in the decision sought to be reconsidered and that this should not be an obstacle for a reconsideration, the hard reality is that movant has failed to raise matters substantially plausible or compellingly persuasive to warrant the desired course of action.
>
> Considering that the grounds presently raised have been sufficiently considered, if not squarely addressed, in the subject Decision, it behooves movant to convince the Court that certain findings or conclusions in the Decision are contrary to law. As it is, however, the instant motion does not raise any new or substantial legitimate ground or reason to justify the reconsideration sought.
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> ...

WHEREFORE, the foregoing considered, petitioner's "Motion for Reconsideration (re: Decision promulgated 4 October 2024)" filed on 28 October 2024 is hereby **DENIED** for lack of merit.

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15 G.R. No. 159938, 22 January 2007; Citation omitted.

SO ORDERED.

JEAN MARIE A. BACORRO-VILLENA
Associate Justice

WE CONCUR:

ROMAN G. DEL ROSARIO
Presiding Justice

MA. BELEN M. RINGPIS-LIBAN
Associate Justice

CATHERINE T. MANAHAN
Associate Justice

MARIA ROWENA MODESTO-SAN PEDRO
Associate Justice

Marian Ivy F. Reyes-Fajardo
MARIAN IVY F. REYES-FAJARDO
Associate Justice

LANEE S. CUI-DAVID
Associate Justice

ON OFFICIAL BUSINESS
CORAZON G. FERRER-FLORES
Associate Justice

HENRY S. ANGELES
Associate Justice