REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

EN BANC

COMMISSIONER OF INTERNAL REVENUE,
Petitioner,

-versus-

HI-STAKES GAMING INCORPORATED,
Respondent.

CTA *EB* NO. 2841
(CTA Case No. 10172)

Members:

DEL ROSARIO, *P.J.*,
RINGPIS-LIBAN,
MANAHAN,
BACORRO-VILLENA,
MODESTO-SAN PEDRO,
REYES-FAJARDO,
CUI-DAVID,
FERRER-FLORES, *and*
ANGELES, *JJ.*

Promulgated:
JUN 10 2025 3:31pm

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RESOLUTION

CUI-DAVID, J.:

This resolves petitioner's *Motion for Reconsideration (Re: Decision dated 03 October 2024)*[1] which was personally filed on October 21, 2024, and electronically filed on October 22, 2024, without respondent's comment.[2]

Petitioner seeks to set aside the Decision dated October 3, 2024 (assailed Decision), which contains the following dispositive portion:

> **WHEREFORE**, premises considered, the instant *Petition for Review* is **DENIED**. Accordingly, the assailed Decision dated July 28, 2023, and the Resolution dated

[1] *En Banc (EB)* Docket, pp. 152–165.
[2] *Id.* at 177, Records Verification dated January 16, 2025.

November 20, 2023, issued by the Court's Special Third Division in CTA Case No. 10172, are **AFFIRMED.**

SO ORDERED.

Petitioner argues that the Court erred in declaring the assessment void, arguing that respondent was not deprived of due process. According to petitioner, respondent was able to file a reply to the Preliminary Assessment Notice (PAN) and a protest to the Formal Letter of Demand and Final Assessment Notice (FLD/FAN). However, petitioner contends that the protest to the FLD/FAN was filed beyond the prescribed 30-day period, as respondent received the FLD/FAN on November 5, 2014.

Petitioner also disputes the Court's finding that the assessment was void because the FLD/FAN was issued on the 15th day following respondent's receipt of the PAN, before the lapse of the required 15-day period to reply. Petitioner argues that a protest to the PAN is not mandatory and cites Revenue Memorandum Circular [sic] No. 26-2016,[3] which states that an FLD/FAN "shall be issued 15 days from the date of receipt by the taxpayer of the PAN, whether the same was protested or not."

Moreover, petitioner contends that even if strict compliance to the 15-day response period is required, the assessment remains valid. Although the FLD/FAN was dated on October 28, 2014, it was served on respondent only on November 5, 2014. Petitioner asserts that this time interval allowed the revenue officers sufficient time to consider respondent's reply to the PAN before issuing the FLD/FAN.

Finally, petitioner cites the testimony of Revenue Officer Katrina Pasion, who testified that respondent's protest failed to refute the findings in the PAN. Based on this, petitioner maintains that respondent was not deprived of due process.

The instant *Motion* is devoid of merit.

Petitioner raises no new substantive arguments, merely reiterating points already considered and addressed in the assailed Decision.

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[3] SUBJECT: Policies and Guidelines in Handling Disputed Assessments, June 13, 2016.

Jurisprudence consistently mandates strict compliance with procedural requirements in issuing assessment notices to protect taxpayers' constitutional rights.[4] Any failure to adhere to due process requirements invalidates the assessment. Issuing an FLD/FAN before the expiration of the 15-day period to respond to a PAN constitutes a due process violation, rendering the assessment void. This premature issuance of the FLD/FAN is a fatal procedural defect, regardless of when it was served. Therefore, petitioner's claim that the FLD/FAN remains valid despite being issued prematurely is untenable, as procedural timelines must be strictly observed.

WHEREFORE, premises considered, petitioner's *Motion for Reconsideration (Re: Decision dated 03 October 2024)* is **DENIED** for lack of merit.

SO ORDERED.

LANEE S. CUI-DAVID
Associate Justice

WE CONCUR:

ROMAN G. DEL ROSARIO
Presiding Justice

MA. BELEN M. RINGPIS-LIBAN
Associate Justice

CATHERINE T. MANAHAN
Associate Justice

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4 See *Prime Steel Mill, Inc. v. Commissioner of Internal Revenue*, G.R. No. 249153, September 12, 2022 [Per J. Dimaampao, Third Division], citing *Commissioner of Internal Revenue v. Yumex Philippines Corp.*, G.R. No. 222476, May 5, 2021 [Per C.J. Gesmundo, First Division]; *Commissioner of Internal Revenue v. Fitness by Design, Inc.*, G.R. No. 215957, November 9, 2016 [Per J. Leonen, Second Division]; *Commissioner of Internal Revenue v. BASF Coating + Inks Phils., Inc.*, G.R. No. 198677, November 26, 2014 [Per J. Peralta, Third Division].

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JEAN MARIE A. BACORRO-VILLENA
Associate Justice

MARIA ROWENA MODESTO-SAN PEDRO
Associate Justice

MARIAN IVY F. REYES-FAJARDO
Associate Justice

CORAZON G. FERRER-FLORES
Associate Justice

HENRY S. ANGELES
Associate Justice