REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

SPECIAL THIRD DIVISION

SN POWER INVEST NETHERLANDS, B.V.,
Petitioner,

-versus-

COMMISSIONER OF INTERNAL REVENUE,
Respondent.

CTA Case Nos. 10710, 10878, & 11065

Members:

REYES-FAJARDO, *Chairperson,* and **ANGELES,** *JJ.*

Promulgated:

FEB 26 2026
9:50 a.m.

x- x

DECISION

REYES-FAJARDO, *J.*:

THE CASE

The consolidated *Petitions for Review* filed by petitioner SN Power Invest Netherlands, B.V. (SNPIN) against respondent Commissioner of Internal Revenue (CIR) seek the refund of final withholding taxes (FWTs) on dividends declared by SN Power Philippines, Inc. (SNPPI), in the aggregate amount of ₱531,850,000.00,[1] broken down as follows:[2]

CTA Case No.	Amount of refund claim	Taxable year (TY) / period
10710	₱478,300,000.00	TY 2018 and TY 2019[3]
10878	33,550,000.00	2nd Quarter of TY 2020[4]
11065	20,000,000.00	4th Quarter of TY 2020[5]

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[1] Prayer, petitioner's *Memorandum,* Docket (CTA Case No. 10710, 10878 & 11065) – Vol. 8, p. 4224.

[2] Refer to Statement of the Case, Pre-Trial Order, Docket (CTA Case Nos. 10710, 10878 & 11065) – Vol. 5, pp. 2886 to 2887.

[3] Prayer, *Petition for Review,* Docket (CTA Case No. 10710) – Vol. I, p. 22.

[4] Prayer, *Petition for Review,* Docket (CTA Case No. 10878) – Vol. I, p. 22.

THE PARTIES

Petitioner SNPIN is a non-resident foreign corporation duly organized and existing under the laws of the Kingdom of Netherlands, with principal office at Strawinskylaan 1755, 1077XX Amsterdam, the Netherlands.[6]

Respondent CIR is the head of the Bureau of Internal Revenue (BIR), the government agency officially responsible for the assessment and collection of internal revenue taxes. He is vested with authority, *inter alia,* to refund or credit internal revenue taxes erroneously or illegally assessed or collected. He holds office at Revenue Region No. 7A—Quezon City, Legal Division, Room 516, Fisher Mall, Quezon Avenue corner Roosevelt Avenue, Quezon City.[7]

FACTUAL ANTECEDENTS

On May 9, 1997, the Norwegian Investment Fund for Developing Countries (Norfund) was established through Act No. 26, otherwise known as the "Act Relating to the Norwegian Investment Fund for Developing Countries" (the "Norfund Act"). Norfund's mandate is to promote sustainable business and industrial development in developing countries by providing equity and other risk capital, as well as loans and guarantees, for viable and profitable activities that would otherwise not be undertaken due to high risk. Assistance is extended to countries classified by the Organisation for Economic Co-operation and Development (OECD) as lower middle-income, as well as those with lower income per capita, and to such other countries as the Norwegian Storting (parliament) may designate under business aid schemes. To carry out its objectives, Norfund may cooperate with public and private entities, including through participation in ventures in Norway and abroad, and may establish and operate through subsidiaries.[8]

Norfund established the following entities, among others:

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5 Prayer, *Petition for Review,* Docket (CTA Case No. 11065) - Vol. I, p. 23.

6 Exhibits "P-11" and series, "P-12", Docket (CTA Case No. 10710, 10878 & 11065) - Vol. 7, pp. 3633 to 3638 and p. 3639, respectively; Par. 3, petitioner's *Memorandum,* Docket (CTA Case No. 10710, 10878 & 11065) - Vol. 8, p. 4200.

7 Par. 1.1 Admitted Fact, *Joint Stipulation of Fact and Issue* (JSFI), Docket (CTA Case No. 10710, 10878 & 11065) - Vol. 5, p. 2331.

8 Refer to Section 1, the Norfund Act, Exhibit "P-17", Docket (CTA Case No. 10710, 10878 & 11065) - Vol. 7, p. 3859.

A. SN Power AS (SNP Norway), organized under the laws of the Kingdom of Norway;[9]

B. Petitioner SNPIN, organized under the laws of the Kingdom of the Netherlands;[10] and

C. SNPPI, organized under the laws of the Philippines.[11]

In TYs 2018, 2019 and 2020, SNP Norway was wholly owned by Norfund.[12] SNP Norway, in turn, wholly owned petitioner SNPIN's equity.[13] Petitioner SNPIN, on the other hand, owned 100% of SNPPI's common shares of stock.[14]

PROCEEDINGS AT THE ADMINISTRATIVE LEVEL

For TYs **2018** and **2019**, the Board of Directors of SNPPI declared cash dividends out of its unrestricted retained earnings in favor of its stockholders of record,[15] and withheld and remitted FWT thereon at the rate of 10% pursuant to Article 10 of the Philippines-Netherlands Tax Treaty, formally known as "*The Convention Between the Kingdom of the Netherlands and the Republic of the Philippines for the Avoidance and the Prevention of Fiscal Evasion with Respect to Taxes on Income*," as follows:

Date of Declaration	Date of payment (per resolutions)	Amount of Dividends	Amount of tax withheld
Jan. 30, 2018	Feb. 2, 2018	₱973,000,000.00	₱97,300,000.00[16]
Apr. 20, 2018	May 4, 2018	1,710,000,000.00	171,000,000.00[17]
Oct. 18, 2018	Oct. 31, 2018	800,000,000.00	80,000,000.00[18]
Nov. 9, 2018	Nov. 20, 2018	700,000,000.00	70,000,000.00[19]

9 Exhibit "P-14", Docket (CTA Case No. 10710, 10878 & 11065) – Vol. 7, p. 3845.

10 Exhibit "P-11" and series, Docket (CTA Case Nos. 10710, 10878 & 11065) – Vol. 7, pp. 3633 to 3638.

11 Exhibit "P-1" and series, Docket (CTA Case Nos. 10710, 10878 & 11065) – Vol. 6, pp. 3356 to 3508.

12 Exhibit "P-34" and series, Docket (CTA Case Nos. 10710, 10878 & 11065) – Vol. 8, pp. 4107 to 4129.

13 Exhibit "P-11" and series, Exhibits "P-14" and "P-14-1", Docket (CTA Case Nos. 10710, 10878 & 11065) – Vol. 7, pp. 3633 to 3638 and pp. 3845 to 3850.

14 Exhibits "P-2" and series, Docket (CTA Case Nos. 10710, 10878 & 11065) – Vol. 6, pp. 3385 to 3508 and Exhibits "P-4" and series, Docket (CTA Case Nos. 10710, 10878 & 11065) – Vol. 7, pp. 3515 to 3518.

15 Exhibits "P-3" and series, Docket (CTA Case Nos. 10710, 10878 & 11065) – Vol. 7, pp. 3509 to 3512.

16 Exhibit "P-5", Docket (CTA Case Nos. 10710, 10878 & 11065) – Vol. 7, pp. 3519 to 3520.

17 Exhibit "P-5-1", Docket (CTA Case Nos. 10710, 10878 & 11065) – Vol. 7, pp. 3523 to 3524.

18 Exhibit "P-5-2", Docket (CTA Case Nos. 10710, 10878 & 11065) – Vol. 7, pp. 3527 to 3528.

19 Exhibit "P-5-2", Docket (CTA Case Nos. 10710, 10878 & 11065) – Vol. 7, pp. 3527 to 3528.

Mar. 18, 2019	Apr. 1, 2019	600,000,000.00	60,000,000.00[20]
Total Dividends		**₱4,783,000,000.00**	**₱478,300,000.00**

On December 3, 2021, petitioner filed its *Application for Tax Credits/Refund* (BIR Form No. 1914),[21] seeking a refund of erroneously or illegally remitted FWT amounting to ₱478,300,000.00, for TYs 2018 and 2019.

For TY **2020**, SNPPI likewise declared and paid cash dividends out of unrestricted retained earnings to its stockholder of record and withheld and remitted FWT thereon, as follows:

Date of Declaration	Date of payment (per resolutions)	Amount of Dividends	Amount of tax withheld
May 6, 2020[22]	May 20, 2020	₱335,500,000.00	₱33,550,000.00[23]
Nov. 26, 2020[24]	Dec. 15, 2020	200,000,000.00	20,000,000.00[25]
Total Dividends		**₱535,500,000.00**	**₱53,550,000.00**

On June 1, 2022, and on December 19, 2022,[26] petitioner filed the corresponding *Applications for Tax Credits/Refund* (BIR Forms No. 1914),[27] seeking a refund of erroneously or illegally remitted FWT amounting to ₱33,550,000.00 and ₱20,000,000.00, respectively.

PROCEEDINGS BEFORE THIS COURT

<u>For CTA Case No. 10710</u>:

On December 17, 2021, petitioner filed a *Petition for Review*,[28] seeking the refund of FWT on dividends declared by SNPPI in the amount of ₱478,300,000.00, for TYs 2018 and 2019.

On May 4, 2022,[29] respondent filed his *Answer*,[30] interposing his special and affirmative defenses.

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20 Exhibits "P-5-3", Docket (CTA Case Nos. 10710, 10878 & 11065) – Vol. 7, pp. 3531 to 3532.
21 Exhibits "P-10" and "P-10-a", BIR Green Folder (CTA Case No. 10710), pp. 450 to 463.
22 Exhibits "P-3-1", Docket (CTA Case Nos. 10710, 10878 & 11065) – Vol. 7, p. 3513.
23 Exhibits "P-5-4", Docket (CTA Case Nos. 10710, 10878 & 11065) – Vol. 7, pp. 3534 to 3535.
24 Exhibits "P-3-2", Docket (CTA Case Nos. 10710, 10878 & 11065) – Vol. 7, p. 3514.
25 Exhibit "P-5-5", Docket (CTA Case Nos. 10710, 10878 & 11065) – Vol. 7, pp. 3538 to 3539.
26 Exhibits "P-10-2" and "P-10-2-a", BIR Brown Folder (CTA Case No. 10878), pp. 412 to 413.
27 Exhibits "P-10-1" and "P-10-1-a", BIR Brown Folder (CTA Case No. 10710 & 10878), pp. 841 to 852.
28 Docket (CTA Case No. 10710) – Vol. I, pp. 6 to 26.

On May 13, 2022, respondent transmitted the BIR Records, consisting of one (1) folder, with 467 pages.[31]

On July 11, 2022, petitioner filed an *Urgent Motion to Consolidate Cases and Suspend Pre-Trial Hearing*,[32] to which respondent filed his *Comment (Re: Urgent Motion to Consolidate Cases and Suspend Pre-Trial Hearing)* on August 2, 2022.[33]

For CTA Case No. 10878:

On June 8, 2022, petitioner filed a *Petition for Review*,[34] seeking the refund of FWTs on dividends declared by SNPPI in the amount of ₱33,550,000.00, for the 2nd quarter of TY 2020.

On August 22, 2022, respondent filed his *Answer*,[35] interposing his special and affirmative defenses.

On July 11, 2022, petitioner filed an *Urgent Motion to Consolidate Cases and Suspend Pre-Trial Hearing*,[36] to which respondent filed his *Comment (Re: Urgent Motion to Consolidate Cases and Suspend Pre-Trial Hearing)* on August 2, 2022.[37]

On February 21, 2023, respondent transmitted to the Court the BIR Records, consisting of one (1) folder, consecutively pre-numbered from pages 1 to 438.[38]

For CTA Case No. 11065:

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29 Respondent's *Entry of Appearance with Motion for Extension of Time to File Answer Petition for Review* dated March 29, 2022, and Resolution dated April 7, 2022, Docket (CTA Case Nos. 10710 & 10878) - Vol. III, pp. 1603 to 1605, and 1608 to 1609, respectively.

30 Docket (CTA Case Nos. 10710 & 10878) - Vol. III, pp. 1610 to 1613.

31 *Compliance* dated May 13, 2022 and Minute Resolution dated May 23, 2022, Docket (CTA Case Nos. 10710 & 10878) - Vol. III, pp. 1616 to 1617 and 1619, respectively.

32 Docket (CTA Case Nos. 10710 & 10878) - Vol. III, pp. 1621 to 1630.

33 Docket (CTA Case Nos. 10710 & 10878) - Vol. III, pp. 1639 to 1640.

34 Docket (CTA Case No. 10878) - Vol. II, pp. 1139 to 1142.

35 Filed via accredited courier; Docket (CTA Case Nos. 10710 & 10878) - Vol. III, pp. 1610 to 1613.

36 Docket (CTA Case Nos. 10710 & 10878) - Vol. III, pp. 1621 to 1630.

37 Docket (CTA Case Nos. 10710 & 10878) - Vol. III, pp. 1639 to 1640.

38 Respondent's *Compliance* filed on February 21, 2023 and Minute Resolution dated February 22, 2023, Docket (CTA Case Nos. 10710 & 10878) - Vol. IV, pp. 2132 to 2134.

On January 9, 2023, petitioner filed a *Petition for Review*,[39] seeking the refund of FWTs on dividends declared by SNPPI, in the amount of ₱20,000,000.00, for the 4th quarter of TY 2020.

Within the period granted by the Court,[40] respondent filed his *Answer (To the Petition for Review dated 09 January 2023)* on May 2, 2023,[41] interposing his following special and affirmative defenses.

Consolidation of CTA Case Nos. 10710, 10878, and 11065:

In the Resolution dated October 5, 2022,[42] the Court granted petitioner's *Urgent Motion to Consolidate Cases* and consolidated CTA Case No. 10878 with CTA Case No. 10710.

On January 31, 2023, petitioner filed an *Urgent Motion to Consolidate Cases and Suspend Pre-Trial Hearing*.[43]

In the Resolution dated April 19, 2023,[44] the Court granted petitioner's *Urgent Motion to Consolidate Cases* and consolidated CTA Case No. 11065 with CTA Case Nos. 10710 and 10878.

On July 14, 2023, petitioner filed its Consolidated *Pre-Trial Brief*.[45] On the other hand, respondent filed his *Pre-Trial Brief* for CTA Case No. 11065 on July 17, 2023,[46] while his *Pre-Trial Brief* for CTA Case Nos. 10710 and 10878 had been filed earlier, on October 27, 2022.[47]

On July 19, 2023, the Pre-Trial Conference was held.[48]

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39 Docket (CTA Case No. 11065) - Vol. 1, pp. 6 to 27.

40 Respondent's *Entry of Appearance with Motion for Extension of Time to File Answer Petition for Review* dated April 3, 2023, and Minute Resolution dated April 20, 2023, Docket (CTA Case No. 11065) - Vol. 2, pp. 947 to 949, and 951, respectively.

41 Docket (CTA Case No. 11065) - Vol. 2, pp. 972 to 975.

42 Docket (CTA Case Nos. 10710 & 10878) - Vol. III, pp. 1646 to 1648.

43 Docket (CTA Case Nos. 10710 & 10878) - Vol. IV, pp. 2115 to 2127.

44 Docket (CTA Case Nos. 10710 & 10878) - Vol. IV, pp. 2143 to 2144.

45 Docket (CTA Case Nos. 10710 & 10878) - Vol. IV, pp. 2152 to 2170.

46 Docket (CTA Case No. 11065) - Vol. 2, pp. __ to __.

47 Docket (CTA Case Nos. 10710 & 10878) - Vol. IV, pp. 2052 to 2054.

48 Notice of Pre-Trial Conference dated September 2, 2022, Docket (CTA Case Nos. 10710 & 10878) - Vol. IV, pp. 2145 to 2147; Minutes of the hearing and Order dated July 19, 2023, Docket (CTA Case Nos. 10710 & 10878) - Vol. IV, pp. 2324 and 2327 to 2329, respectively.

On August 18, 2023, the parties filed their *Joint Stipulation of Fact and Issue*,[49] which the Court approved in a Minute Resolution dated August 24, 2023,[50] thereby terminating the pre-trial. Thereafter, on September 22, 202, the Pre-Trial Order was issued.[51]

Trial ensued.

Petitioner presented its witnesses, namely: (1) Ms. Imelda R. Ramirez,[52] Accounting, Tax, and Reporting Manager of SNPPI; (2) Mr. Martin Stolze,[53] a licensed Attorney-at-Law in the Netherlands; (3) Mr. Thomas Fjeld Heltne,[54] a licensed Attorney-at-Law in the Norway; and (4) Mr. Tor Inge Stokke,[55] a former executive of SNP Norway, petitioner SNPIN, and SNPPI.

On December 11, 2023, petitioner filed its *Formal Offer of Evidence*,[56] to which respondent filed his *Comment/Opposition (Re: Petitioner's Formal Offer of Evidence dated December 11, 2023)* on December 27, 2023.[57] In the Resolution dated September 17, 2024,[58] the Court admitted all of petitioner's offered exhibits.

For his part, respondent waived his right to present documentary and testimonial evidence.[59]

On November 18, 2024, both parties filed their respective *Memorandum*.[60] On December 10, 2024, petitioner further filed a *Manifestation*.[61]

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49 Docket (CTA Case Nos. 10710, 10878 & 11065) - Vol. 5, pp. 2331 to 2343.
50 Minute Resolution dated August 24, 2023, Docket (CTA Case Nos. 10710, 10878 & 11065) - Vol. 5, p. 2345.
51 Docket (CTA Case Nos. 10710, 10878 & 11065) - Vol. 5, pp. 2886 to 2893.
52 Exhibit "P-36", Docket (CTA Case Nos. 10710, 10878 & 11065) - Vol. 5, pp. 2348 to 2366; Minutes of the hearing held on, and Order dated, September 26, 2023, Docket (CTA Case Nos. 10710, 10878 & 11065) - Vol. 6, pp. 2895 to 2897.
53 Exhibit "P-37", Docket (CTA Case Nos. 10710, 10878 & 11065) - Vol. 6, pp. 2900 to 2910; Minutes of the hearing held on, and Order dated, October 26, 2023, Docket (CTA Case Nos. 10710, 10878 & 11065) - Vol. 6, pp. 3052 to 3054.
54 Exhibit "P-38", Docket (CTA Case Nos. 10710, 10878 & 11065) - Vol. 6, pp. 3058 to 3060; Minutes of the hearing held on, and Order dated, November 23, 2023, Docket (CTA Case Nos. 10710, 10878 & 11065) - Vol. 6, pp. 3106 to 3109.
55 Exhibit "P-39", Docket (CTA Case Nos. 10710, 10878 & 11065) - Vol. 6, pp. 3088 to 3102; Minutes of the hearing held on, and Order dated, November 23, 2023, Docket (CTA Case Nos. 10710, 10878 & 11065) - Vol. 6, pp. 3106 to 3109.
56 Docket (CTA Case Nos. 10710, 10878 & 11065) - Vol. 6, pp. 3112 to 3127.
57 Docket (CTA Case Nos. 10710, 10878 & 11065) - Vol. 6, pp. 3128 to 3130.
58 Docket (CTA Case Nos. 10710, 10878 & 11065) - Vol. 8, pp. 4187 to 4188.
59 Refer to the Pre-Trial Order dated September 22, 2023, Docket (CTA Case Nos. 10710, 10878 & 11065) - Vol. 5, at p. 2891.

On February 26, 2025, the consolidated cases were submitted for decision.[62]

THE ISSUE

> Is petitioner SNPIN entitled to a refund of the FWTs on dividends declared by SNPPI, in the aggregate amount of ₱531,850,000.00, pursuant to Section 32(B)(7)(a) of the National Internal Revenue Code (NIRC) of 1997, as amended?[63]

Petitioner's arguments:

Petitioner argues that: 1) it is entitled to a refund of the FWTs on the dividends as these are allegedly exempt under Section 32(B)(7)(a)(ii) of the NIRC of 1997, as amended; 2) the dividends constitute income derived from investments in the Philippines of a financial institution owned and controlled by the Kingdom of Norway, a foreign government, at the time of declaration; hence, the FWTs were erroneously or illegally remitted; and 3) it timely filed its administrative claim for refund within the period prescribed under the NIRC of 1997, as amended, prior to the amendments introduced by the Ease of Paying Taxes Act.

Respondent's counter-arguments:

Respondent counters that: 1) a refund may be granted only upon proof of erroneous or illegal collection of tax, which petitioner failed to establish; 2) petitioner did not comply with the requirements for the admissibility of foreign public documents under Section 24, Rule 132 of the Revised Rules of Court, thereby rendering its documentary evidence insufficient to prove entitlement to the claimed exemption; and 3) a BIR ruling is not a law but merely an administrative opinion that may be revoked or disregarded when the facts upon which it was issued are shown to be inaccurate or inconsistent with law.

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60 Docket (CTA Case Nos. 10710, 10878 & 11065) - Vol. 8, pp. 4189 to 4197, and 4199 to 4227, respectively.

61 Docket (CTA Case Nos. 10710, 10878 & 11065) - Vol. 8, pp. 4234 to 4243.

62 Docket (CTA Case Nos. 10710, 10878 & 11065) - Vol. 8, p. 4260.

63 Par. 2.1, JSFI, Docket (CTA Case Nos. 10710, 10878 & 11065) - Vol. 5, p. 2331.

THE COURT'S RULING

The consolidated *Petitions for Review* are meritorious.

Petitioner's administrative and judicial claims for refund were timely filed.

Section 7(a)(2) of Republic Act (R.A.) No. 1125,[64] as amended by R.A. No. 9282, in relation to Section 3(a)(2), Rule 4 of the Revised Rules of the Court of Tax Appeals (RRCTA)[65] clothes the Court in Division with jurisdiction over inaction of respondent involving refund of internal revenue taxes, among others.

Among the recognized claims for credit or refund of internal revenue taxes are those arising from the erroneous or excessive collection thereof, as expressly provided under Sections 204(C) and 229 of the NIRC of 1997, as amended, *viz.*:

> SEC. 204. Authority of the Commissioner to Compromise, Abate and Refund or Credit Taxes. — The Commissioner may —
>
> . . .
>
> (c) Credit or refund taxes erroneously or illegally received or penalties imposed without authority, refund the value of internal revenue stamps when they are returned in good condition by the purchaser, and, in his discretion, redeem or change unused stamps that have been rendered unfit for use and refund their value upon

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64 Sec. 7. Jurisdiction. — The CTA shall exercise:

a. Exclusive appellate jurisdiction to review by appeal, as herein provided:

. . .

2. **Inaction by the Commissioner of Internal Revenue** in cases involving disputed assessments, **refunds of internal revenue taxes,** fees or other charges, penalties in relations thereto, or other matters arising under the National Internal Revenue Code or other laws administered by the Bureau of Internal Revenue, where the National Internal Revenue Code provides a specific period of action, in which case the inaction shall be deemed a denial; . . .

65 SEC. 3. Cases within the jurisdiction of the Court in Division. — The **Court in Division** shall exercise:

(a) Exclusive original over or appellate jurisdiction to review by appeal the following:

. . .

(2) **Inaction by the Commissioner of Internal Revenue in cases involving** disputed assessments, **refunds of internal revenue taxes,** fees or other charges, penalties in relation thereto, or other matters arising under the National Internal Revenue Code or other Laws, administered by the Bureau of Internal Revenue . . .

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> proof of destruction. **No credit or refund of taxes or penalties shall be allowed unless the taxpayer files in writing with the Commissioner a claim for credit or refund within two (2) years after the payment of the tax or penalty**: Provided, however, That a return filed showing an overpayment shall be considered as a written claim for credit or refund.[66]
>
> . . .
>
> Sec. 229. Recovery of Tax Erroneously or Illegally Collected. — No suit or proceeding shall be maintained in any court for the recovery of any national internal revenue tax hereafter alleged to have been erroneously or illegally assessed or collected, or of any penalty claimed to have been collected without authority, of any sum alleged to have been excessively or in any manner wrongfully collected without authority, or of any sum alleged to have been excessively or in any manner wrongfully collected, until a claim for refund or credit has been duly filed with the Commissioner; but such suit or proceeding may be maintained, whether or not such tax, penalty, or sum has been paid under protest or duress.
>
> **In any case, no such suit or proceeding shall be filed after the expiration of two (2) years from the date of payment of the tax or penalty regardless of any supervening cause that may arise after payment.** Provided, however, That the Commissioner may, even without a written claim therefor, refund or credit any tax, where on the face of the return upon which payment was made, such payment appears clearly to have been erroneously paid.[67]

Under the foregoing provisions, claims for refund of taxes erroneously or excessively paid—whether administrative or judicial—must be filed within two (2) years from the date of payment of taxes.

Relatedly, *Metropolitan Bank & Trust Company v. Commissioner of Internal Revenue ("MBTC")*[68] elucidated that in a refund claim of FWT, the date of remittance thereof is the date of payment for purposes of Sections 204(C) and 229 of the NIRC of 1997, as amended.

Here, petitioner was able to establish the following:

CTA Case No.	Covered period	Date of remittance/ payment	Two (2) years from the date of payment	Filing of Administrative Claim	Filing of Judicial Claim

[66] Emphasis supplied.
[67] Emphasis supplied.
[68] G.R. No. 182582, April 17, 2017.

10710	TYs 2018 & 2019	Dec. 17, 2019[69]	Dec. 17, 2021	Dec. 3, 2021[70]	Dec. 17, 2021[71]
10878	2nd Quarter of TY 2020	June 8, 2020[72]	June 8, 2022	June 1, 2022[73]	June 8, 2022[74]
11065	4th Quarter of TY 2020	Jan. 8, 2021[75]	Jan. 8, 2023	Dec. 19, 2022[76]	Jan. 9, 2023[77]

Considering that the filing of the administrative and judicial claims for each case was done within the respective two (2)-year prescriptive periods, the Court properly acquired jurisdiction over CTA Case Nos. 10710, 10878, and 11065.

Petitioner's dividend income is exempt under Section 32(B)(7)(a)(ii) of the NIRC of 1997, as amended; hence, the FWT was erroneously collected.

Section 32(B)(7)(a) of the NIRC of 1997, as amended, excludes from gross income—hence, exempts from income tax—income derived by foreign governments in the following manner:

> Sec. 32. Gross Income. —
>
> . . .
>
> (B) Exclusions from Gross Income. — The following items shall not be included in gross income and shall be exempt from taxation under this Title:
>
> . . .
>
> (7) Miscellaneous Items. —

69 Exhibits "P-5" and series and "P-8" and series, Docket (CTA Case No. 10710) - Vol. 7, pp. 3519 to 3533, 3559 to 3568 respectively.
70 Exhibits "P-10" and "P-10-a", BIR Green Folder (CTA Case No. 10710), pp. 450 to 463.
71 Docket (CTA Case No. 10710) - Vol. I, pp. 6 to 26.
72 Exhibits "P-5-4", "P-6-2", and "P-8-1", Docket (CTA Case No. 10710) - Vol. 7, pp. 3534 to 3537, 3550 to 3554 and 3569 to 3570, respectively.
73 Exhibits "P-10-1" and "P-10-1-a", BIR Brown Folder (CTA Case Nos. 10710 & 10878), pp. 841 to 852.
74 Docket (CTA Case No. 10878) - Vol. II, pp. 1139 to 1142.
75 Exhibits "P-5-5", and "P-8-2", Docket (CTA Case No. 10710) - Vol. 7, pp. 3538 to 3541 and 3571 to 3572, respectively.
76 Exhibits "P-10-2" and "P-10-2-a", BIR Brown Folder (CTA Case No. 10878), pp. 412 to 423.
77 Docket (CTA Case No. 11065) - Vol. 1, pp. 6 to 27; January 8, 2023 falls on a Sunday.

qh

> (a) **Income Derived by Foreign Government.** — Income derived from investments in the Philippines in loans, stocks, bonds or other domestic securities, or from interest on deposits in banks in the Philippines by (i) foreign governments, **(ii) financing institutions owned, controlled, or enjoying refinancing from foreign governments**, and (iii) international or regional financial institutions established by foreign governments.[78]

For the exemption to apply, two (2) requisites must concur: (1) **the income must be derived from investments in the Philippines in** loans, **stocks**, bonds, or other domestic securities, or from interest on Philippine bank deposits; and (2) the income must be earned by a foreign government, or **financing institutions owned, controlled, or enjoying refinancing from foreign governments**, or international or regional financial institutions established by foreign governments.

These requisites were satisfied.

First. The dividends received by petitioner from SNPPI - a domestic corporation, are income derived from investments in the Philippines.

Section 73 of the NIRC of 1997, as amended, defines *dividends* as distributions made by a corporation to its shareholders out of earnings or profits, *viz.:*

> SEC. 73. Distribution of Dividends or Assets Corporations.-
>
> (A) Definition of Dividends. -The term 'dividends' when used in this Title means **any distribution made by a corporation to its shareholders out of its earnings or profits and payable to its shareholders, whether in money or in other property**.[79]

Here, petitioner presented following documents relative to SNPPI: *Amended Articles of Incorporation;*[80] *General Information Sheets* (GIS) from 2017 to 2023;[81] *Secretary's Certificates;*[82] and *Secretary's Certifications.*[83]

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[78] Emphases ours.

[79] Emphasis supplied.

[80] Exhibit "P-1" and series, Docket (CTA Case No. 10710) – Vol. 6, pp. 3356 to 3508.

[81] Exhibit "P-2" and series, Docket (CTA Case Nos. 10710, 10878 & 11065) – Vol. 6, pp. 3385 to 3508.

[82] Exhibit "P-3" and series, Docket (CTA Case Nos. 10710, 10878 & 11065) – Vol. 7, pp. 3509 to 3514.

[83] Exhibit "P-4" and series, Docket (CTA Case Nos. 10710, 10878 & 11065) – Vol. 7, pp. 3515 to 3518.

Based on these documents, the Court finds that petitioner was the legal and beneficial stockholder of 99.9995%[84] of the outstanding capital stock of SNPPI **when dividends were declared and paid** in the years 2018, 2019, and 2020, as summarized below:

Per SNPPI's AFS			Per SNPPI's GIS	Per SNPPI's Secretary's Certificates	
Date Of Declaration	Date of Payment	Dividends	Dividends Declared	Date of Meeting	Dividends Declared
1/30/2018	2/2/2018	₱973,000,000.00	₱4,183,000,000.00[85]	1/30/2018	₱973,000,000.00
4/20/2018	5/4/2018	1,710,000,000.00		4/20/2018	1,710,000,000.00
10/18/2018	10/31/2018	800,000,000.00		10/18/2018	800,000,000.00
11/9/2018	11/20/2018	700,000,000.00		11/9/2018	700,000,000.00
Sub-total		***₱4,183,000,000.00***[86]			***₱4,183,000,000.00***[87]
3/18/2019	4/1/2019	₱600,000,000.00	2,479,000,000.00[88]	3/18/2019	₱600,000,000.00[89]
11/25/2019	11/29/2019	869,000,000.00			-
12/19/2019	1/21/2020	1,010,000,000.00			-
Sub-total		***₱ 2,479,000,000.00***[90]			***₱600,000,000.00***
5/6/2020	5/20/2020	₱ 335,500,000.00	535,500,000.00[91]	5/6/2020	₱335,500,000.00[92]
11/26/2020	12/15/2020	200,000,000.00		11/26/2020	200,000,000.00[93]
Sub-total		***₱535,500,000.00***[94]			***₱535,500,000.00***
GRAND TOTAL		**₱7,197,500,000.00**	**₱7,197,500,000.00**		**₱5,318,500,000.00**

SNPPI's *Secretary's Certifications*,[95] attest that petitioner received from SNPPI cash dividends amounting to ₱5,318,500,000.00 in the years 2018, 2019 and 2020.

The records likewise show that FWT totaling ₱531,850,000.00 was withheld from said dividends and remitted to the BIR on December 17, 2019, June 8, 2020, and January 8, 2021, as evidenced by the relevant *Quarterly Remittance Returns of Final Income Taxes*

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84 *The (1) common shares of stocks are held in trust for the benefit of SN Power Invest Netherlands B.V.*, Exhibits "P-4", "P-4-1", and "P-4-2", Docket (CTA Case Nos. 10710, 10878 & 11065) - Vol. 7, pp. 3515 to 3518.

85 Exhibit "P-2-5", Docket (CTA Case Nos. 10710, 10878 and 11065) - Vol. 6, p. 3444.

86 Exhibit "P-13-1", Notes to Financial Statement No. 13, Docket (CTA Case Nos. 10710, 10878 and 11065) - Vol. 7, p. 3732.

87 Exhibit "P-3", Docket (CTA Case Nos. 10710, 10878 and 11065) - Vol. 7, pp. 3509 to 3510.

88 Exhibit "P-2-7", Docket (CTA Case Nos. 10710, 10878 and 11065) - Vol. 6, p. 3465.

89 Exhibit "P-3-2", Docket (CTA Case Nos. 10710, 10878 and 11065) - Vol. 7, p. 3511.

90 Exhibit "P-13-2", Notes to Financial Statement No. 13, Docket (CTA Case Nos. 10710, 10878 and 11065) - Vol. 7, p. 3784.

91 Exhibit "P-2-8", Docket (CTA Case Nos. 10710, 10878 and 11065) - Vol. 6, p. 3477.

92 Exhibit "P-3-1", Docket (CTA Case Nos. 10710, 10878 and 11065) - Vol. 7, p. 3513.

93 Exhibit "P-3-2", Docket (CTA Case Nos. 10710, 10878 and 11065) - Vol. 7, p. 3514.

94 Exhibit "P-13-3", Notes to Financial Statement No. 13, Docket (CTA Case Nos. 10710, 10878 and 11065) - Vol. 7, p. 3834.

95 Exhibit "P-4" and series, Docket (CTA Case Nos. 10710, 10878 and 11065) - Vol. 7, pp. 3515 to 3518.

Withheld (BIR Forms No. 1601-FQ),[96] *Monthly Remittance Forms of Final Income Taxes Withheld* (BIR Forms No. 0619-F),[97] and Citibank E-mails and Debit Advices,[98] detailed as follows:

Exhibit Reference	Dividends	FWTs	
		Amount Withheld	Date Remitted to the BIR
Batch 1 Dividends			
"P-5" and "P-8"[99]	₱973,000,000.00	₱97,300,000.00	Dec. 17, 2019
"P-5-1" and "P-8-a"[100]	1,710,000,000.00	171,000,000.00	Dec. 17, 2019
"P-5-2", "P-6" and "P-8-b"[101]	800,000,000.00	80,000,000.00	Dec. 17, 2019
"P-5-2" and "P-8-c"[102]	700,000,000.00	70,000,000.00	Dec. 17, 2019
"P-5-3", "P-6-1" and "P-8-d"[103]	600,000,000.00	60,000,000.00	Dec. 17, 2019
Batch 2 Dividends			
"P-5-4", "P-6-2" and "P-8-1"[104]	335,500,000.00	33,550,000.00	June 8, 2020
Batch 3 Dividends			
"P-5-5" and "P-8-2"[105]	200,000,000.00	20,000,000.00	Jan. 8, 2021
Total	**₱5,318,500,000.00**	**₱531,850,000.00**	

Second. Petitioner is a financial institution owned and controlled by a foreign government.

To establish that it is a non-resident foreign corporation with no business presence in the Philippines, petitioner submitted its *Certification of Non-registration of Company*,[106] and *Translation of the Continuous Text of the Articles of Association of SN Power Invest Netherlands B.V*,.[107] To further show that it is a financial institution established in the Netherlands, petitioner presented its *Business*

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96 Exhibit "P-5" and series, Docket (CTA Case Nos. 10710, 10878 and 11065) – Vol. 7, pp. 3519 to 3541.

97 Exhibit "P-6" and series, Docket (CTA Case Nos. 10710, 10878 and 11065) – Vol. 7, pp. 3542 to 3554.

98 Exhibit "P-8" and series, Docket (CTA Case Nos. 10710, 10878 and 11065) – Vol. 7, pp. 3559 to 3572 and Exhibit "P-9" and series, Docket (CTA Case Nos. 10710, 10878 and 11065) – Vol. 7, pp. 3573 to 3579.

99 Docket (CTA Case Nos. 10710, 10878 and 11065) – Vol. 7, pp. 3519 to 3522 and 3559 to 3560.

100 Docket (CTA Case Nos. 10710, 10878 and 11065) – Vol. 7, pp. 3523 to 3526 and 3561 to 3562.

101 Docket (CTA Case Nos. 10710, 10878 and 11065) – Vol. 7, pp. 3527 to 3530, 3542 to 3545 and 3563 to 3564.

102 Docket (CTA Case Nos. 10710, 10878 and 11065) – Vol. 7, pp. 3527 to 3530 and 3565 to 3566.

103 Docket (CTA Case Nos. 10710, 10878 and 11065) – Vol. 7, pp. 3531 to 3533, 3546 to 3549 and 3567 to 3568.

104 Docket (CTA Case Nos. 10710, 10878 and 11065) – Vol. 7, pp. 3534 to 3537, 3550 to 3554 and 3569 to 3570.

105 Docket (CTA Case Nos. 10710, 10878 and 11065) – Vol. 7, pp. 3538 to 3541 and 3571 to 3572.

106 Exhibit "P-12", Docket (CTA Case Nos. 10710, 10878 & 11065) – Vol. 7, p. 3639.

107 Exhibit "P-20", Docket (CTA Case Nos. 10710, 10878 & 11065) – Vol. 7, pp. 3881 to 3911.

Register extract Netherlands Chamber of Commerce; [108] its *De Nederlandsche Bank ("DNB") letter entitled, Registration as a Special Financial Institution,*[109] and its *DNB Registration Data.*[110]

Moreover, petitioner offered the following documents in evidence to demonstrate that it is a foreign financing institution owned and controlled by a foreign government, to wit:

Exhibit No.	Document
"P-14"[111]	SNP Norway's Certificate of Registration from Brønnøysundregistrene
"P-14-1"[112]	SNP Norway's Brønnøysundregistrene Firmattest
"P-15"[113]	SNP Norway's Shareholders Register
"P-16"[114]	SNP Norway's Confirmation issued by Brønnøysundregistren
"P-17"[115]	Letter of Certification – The Norfund Act
"P-18"[116]	Norfund's Business Register Transcript from Brønnøysundregistrene
"P-19"[117]	Norfund's Confirmation issued by Brønnøysundregistrene

Respondent disputes the admissibility of Exhibit "P-17," invoking Section 24, Rule 132 of the Revised Rules of Court and argues that the certification does not satisfy authentication requirements and that petitioner's witness, Mr. Thomas Fjeld Heltne, is not the custodian of the document.

The objection is unavailing.

At the outset, respondent expressly admitted the existence, authenticity, genuineness, and due execution of petitioner's documentary exhibits, including Exhibit "P-17," in his *Comment/Opposition*[118] to petitioner's Formal Offer of Evidence.

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108 Exhibit "P-11" and series, Docket (CTA Case Nos. 10710, 10878 & 11065) – Vol. 7, pp. 3633 to 3638.
109 Exhibit "P-21", Docket (CTA Case Nos. 10710, 10878 & 11065) – Vol. 7, pp. 3912 to 3915.
110 Exhibit "P-22", Docket (CTA Case Nos. 10710, 10878 & 11065) – Vol. 7, pp. 3916 to 3918.
111 Docket (CTA Case Nos. 10710, 10878 & 11065) – Vol. 7, pp. 3845 to 3847.
112 Docket (CTA Case Nos. 10710, 10878 & 11065) – Vol. 7, pp. 3848 to 3850.
113 Docket (CTA Case Nos. 10710, 10878 & 11065) – Vol. 7, pp. 3851 to 3852.
114 Docket (CTA Case Nos. 10710, 10878 & 11065) – Vol. 7, pp. 3853 to 3854.
115 Docket (CTA Case Nos. 10710, 10878 & 11065) – Vol. 7, pp. 3855 to 3875.
116 Docket (CTA Case Nos. 10710, 10878 & 11065) – Vol. 7, pp. 3876 to 3878.
117 Docket (CTA Case Nos. 10710, 10878 & 11065) – Vol. 7, pp. 3879 to 3880.
118 Docket (CTA Case Nos. 10710, 10878 & 11065) – Vol. 6, pp. 3128 to 3130.

Section 4, Rule 129 of the Rules of Court on judicial admissions provides that an admission, made by the party in the course of the proceedings in the same case, does not require proof:

> Section 4. Judicial admissions. — **An admission, verbal or written, made by the party in the course of the proceedings in the same case, does not require proof.** The admission may be contradicted only by showing that it was made through palpable mistake or that no such admission was made.[119]

Here, the respondent's admission of the genuineness and authenticity of Exhibit "P-17," among others, constitutes a judicial admission which is binding on it, absent any showing that this was made through palpable mistake, no amount of rationalization can offset it.[120] Respondent made no such showing.

Further, under Section 36, Rule 132 of the Rules of Court,[121] objections to documentary evidence must be timely raised at the time of formal offer; otherwise, they are deemed waived. Respondent's prior admission and the absence of a timely, proper objection operate to bar his present technical challenge to admissibility.[122]

Even on the merits, Exhibit "P-17" is a foreign public document that may be admitted under Section 24, Rule 132,[123] and, where

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119 Emphasis supplied.

120 *Rodriguez v. Bankard, Inc.*, G.R. No. 227886, September 5, 2022.

121 Section 36, Rule 132, Rules of Court: Objection. — Objection to evidence offered orally must be made immediately after the offer is made.

Objection to a question propounded in the course of the oral examination of a witness shall be made as soon as the grounds therefor shall become reasonably apparent.

An offer of evidence in writing shall be objected to within three (3) days after notice of the unless a different period is allowed by the court.

In any case, the grounds for the objections must be specified

122 *Trimillos v. FCash Global Lending, Inc.*, G.R. No. 271360, August 13, 2025; *Candano-Lim v. Lim*, G.R. Nos. 262727-28, January 27, 2025; *Malate Construction Development Corp. v. Extraordinary Realty Agents & Brokers Cooperative*, G.R. No. 243765, January 5, 2022; *Cadajas y Cabias v. People*, G.R. No. 247348, November 16, 2021; *Lorenzana v. Lelina*, G.R. No. 187850, August 17, 2016.

123 Section 24. Proof of official record. — The record of public documents referred to in paragraph (a) of Section 19, when admissible for any purpose, may be evidenced by an official publication thereof or by a copy attested by the officer having the legal custody of the record, or by his deputy, and accompanied, if the record is not kept in the Philippines, with a certificate that such officer has the custody. If the office in which the record is kept is in foreign country, the certificate may be made by a secretary of the embassy or legation, consul general, consul, vice consul, or consular agent or by any officer in the foreign service of the Philippines stationed in the foreign country in which the record is kept, and authenticated by the seal of his office.

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applicable, the authentication requirements may be satisfied through the apostille mechanism under the 1961 Hague Apostille Convention,[124] to which both the Philippines and Norway are contracting parties. Thus, the Apostilled *Letter of Certification* attached to *The Norfund Act* is sufficient to prove the due execution and genuineness of the document.

Conclusion.

In fine, petitioner established by competent and sufficient evidence that it is a financial institution wholly owned and controlled by a foreign government, and that the dividend income it received from its investment in SNPPI falls squarely within the tax exemption under Section 32(B)(7)(a) of the NIRC of 1997, as amended. The FWTs thereon, in the aggregate amount of ₱531,850,000.00, were thus collected without legal basis and are refundable under Sections 204(C) and 229 of the NIRC of 1997, as amended.

WHEREFORE, in light of the foregoing considerations, the consolidated *Petitions for Review* are **GRANTED**.

Accordingly, respondent is ordered to refund to petitioner the amount of **₱531,850,000.00**, representing erroneously collected FWTs on dividend income earned by petitioner on its investments in SNPPI.

SO ORDERED.

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

I CONCUR:

HENRY S. ANGELES
Associate Justice

[124] Convention Abolishing the Requirement of Legalisation for Foreign Public Documents.

ATTESTATION

I attest 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.

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

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.

JEAN MARIE A. BACORRO-VILLENA
Acting Presiding Justice