Republic of the Philippines
COURT OF TAX APPEALS
Quezon City

FIRST DIVISION

CHEVRON HOLDINGS, INC., Petitioner,	**CTA Case Nos. 8790 and 8835** For: Refund
	Members:
-versus-	**DEL ROSARIO, P.J., *Chairperson*** **UY, and** **MINDARO-GRULLA, JJ.**
COMMISSIONER OF INTERNAL REVENUE, Respondent.	Promulgated: JAN 18 2018 : 3:00 pm

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DECISION

MINDARO-GRULLA, J.:

These are consolidated cases of two (2) Petitions for Review filed by Chevron Holdings, Inc. to seek the refund or issuance of tax credit certificate (TCC) in the aggregate amount of ₱35,904,836.60, allegedly representing its excess and unutilized input value-added tax (VAT) on purchases of goods and services attributable to zero-rated transactions for the first and second quarters of calendar year (CY) 2012, broken down as follows:

CTA CASE NO.	PERIOD COVERED	INPUT VAT CLAIM
8790	First Quarter of CY 2012	₱ 16,165,791.62
8835	Second Quarter of CY 2012	19,739,044.98
TOTAL		**₱35,904,836.60**

The Petitions for Review were filed pursuant to Section 7(a)(2)[1] of Republic Act (RA) No. 1125, otherwise known as "An Act Creating

[1] SEC. 7. *Jurisdiction.* - The CTA shall exercise:
(a) Exclusive appellate jurisdiction to review by appeal, as herein provided:
xxx
(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

the Court of Tax Appeals", as amended, as well as Section 3(a)(2)[2] of Rule 4 and Section 4(a)[3] of Rule 8 of the Revised Rules of the Court of Tax Appeals, as amended.

Petitioner Chevron Holdings, Inc. is a corporation organized and existing under the laws of the State of Delaware, United States of America. It is licensed by the Securities and Exchange Commission (SEC) to transact business in the Philippines as a Regional Operating Headquarters (ROHQ) under SEC Registration No. A199802486 dated June 3, 1998, with registered office address at the 35th Floor, Yuchengco Tower, RCBC Plaza, 6819 Ayala Avenue, Makati City.[4] Petitioner is also registered with the Bureau of Internal Revenue (BIR) as a VAT taxpayer and was issued a Certificate of Registration with Taxpayer Identification Number (TIN) 201-056-391-000.[5]

Petitioner's purpose, as ROHQ in the Philippines, is limited to general administration and planning; business planning and coordination; sourcing/procurement of raw materials and components; corporate finance advisory services; marketing control and sales promotion; training and personnel management; logistic services; research and development services and product development; technical support and maintenance; data processing and communication; and business development.[6]

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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;

[2] 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:
xxx
(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, where the National Internal Revenue Code or other applicable law provides a specific period for action: xxx;

[3] SEC. 4. *Where to appeal; mode of appeal.* –
(a) An appeal from a decision or ruling or the inaction of the Commissioner of Internal Revenue on disputed assessments or claim for refund of internal revenue taxes erroneously or illegally collected, the decision or ruling of the Commissioner of Customs, the Secretary of Finance, the Secretary of Trade and Industry, the Secretary of Agriculture, and the Regional Trial Court in the exercise of their original jurisdiction, shall be taken to the Court by filing before it a petition for review as provided in Rule 42 of the Rules of Court. The Court in Division shall act on the appeal.

[4] Pars. 2 and 3, Admitted Facts, Joint Stipulation of Facts and Issues (JSFI), CTA Case No. 8790, Docket, vol. II, p. 1794.

[5] Par. 4, Admitted Facts, JSFI, CTA Case No. 8790, Docket, vol. II, p. 1794.

[6] Par. 5, Admitted Facts, JSFI, CTA Case No. 8790, Docket, vol. II, p. 1794; Exhibits "P-1" and "P-2", CTA Case No. 8790, Docket, vol. III, pp. 2129-2157.

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On the other hand, respondent is the duly appointed Commissioner of the Bureau of Internal Revenue who has the power to decide disputed assessments, refunds of internal revenue taxes, fees or other charges, penalties imposed in relation thereto or other matters arising under the National Internal Revenue Code or other laws or portions thereof administered by the BIR. He holds office at the BIR National Office Building, Agham Road, Diliman, Quezon City.

Petitioner filed its Quarterly VAT Returns (BIR Form No. 2550Q) for the first and second quarters of CY 2012 on the following dates:

CASE NO.	CY 2013	VAT RETURN	DATE FILED
8790	First Quarter	Original	April 24, 2012[7]
		Amended	May 28, 2012[8]
8835	Second Quarter	Original	July 25, 2012[9]

On October 31, 2013, petitioner filed with the Department of Finance One-Stop Shop Inter-Agency Tax Credit and Duty Drawback Center ("DOF-OSS" for brevity) an administrative claim for refund or issuance of TCC for unutilized input VAT for the first quarter of CY 2012 in the total amount of ₱16,165,791.62.[10] It submitted all relevant documents in support of its claim when it filed its administrative claim for refund.[11]

On January 16, 2014, petitioner filed with the DOF-OSS an administrative claim for refund or issuance of TCC for unutilized input VAT for the second quarter of CY 2012 in the total amount of ₱19,739,044.98.[12] Petitioner likewise submitted all the relevant supporting documents when it filed its administrative claim.[13]

Thereafter, petitioner received Letter of Authority (LOA) No. LOA-311-2013-00000176 (eLA201000050327) dated November 28,

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[7] Exhibit "P-8.1", CTA Case No. 8790, Docket, vol. III, pp. 2187-2188.
[8] Exhibit "P-8.3".
[9] Exhibit "P-8.2", CTA Case No. 8790, Docket, vol. III, pp. 2189-2190.
[10] Exhibits "P-4.1", "P-4.2" and "P-4.3", CTA Case No. 8790, Docket, vol. III, pp. 2159-2161.
[11] Exhibits "P-5.1", "P-5.2", "P-5.3", "P-5.4", "P-5.5", and "P-5.6", CTA Case No. 8790, Docket, vol. III, pp. 2166-2171.
[12] Exhibits "P-4.4", "P-4.5", "P-4.6", and "P-4.7", CTA Case No. 8790, Docket, vol. III, pp. 2162-2165.
[13] Exhibits "P-5.7", "P-5.8", "P-5.9, "P-5.10", "P-5.11" and "P-5.12", CTA Case No. 8790, Docket, vol. III, pp. 2172-2177.

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2013, with attached First Notice dated February 7, 2014 (the "Notice").[14]

On February 17, 2014, petitioner submitted the first batch of additional documents required under the Notice.[15] Then on February 27, 2014, petitioner submitted the final batch of the documents required under the Notice.[16]

On March 14, 2014, petitioner received Letter of Authority No. LOA-411-2014-00000015 (eLA201000050364) dated March 10, 2014.[17]

Due to respondent's inaction on petitioner's administrative claims for refund petitioner filed the instant Petitions for Review on March 28, 2014[18] for CTA Case No. 8790 and on June 13, 2014[19] for CTA Case No. 8835.

Within the extended time granted by the Court,[20] respondent filed his Answer[21] in CTA Case No. 8790 on June 6, 2014, interposing the following special and affirmative defenses:

> **"SPECIAL AND AFFIRMATIVE DEFENSES**
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> On the basis of the foregoing allegations and in further support of the Specific Denials herein set forth, respondent respectfully allege as her affirmative defense that:
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> ***THE INSTANT PETITION WAS PREMATURELY FILED***
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> 4. Section 112 (C) of the Tax Code of 1997 provides as follows, *to wit*:

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[14] Par. 6, Admitted Facts, JSFI, CTA Case No. 8790, Docket, vol. II, p. 1794; Exhibits "P-6.1", CTA Case No. 8790, Docket, vol. III, pp. 2178-2180.
[15] Par. 7, Admitted Facts, JSFI, CTA Case No. 8790, Docket, vol. II, p. 1794; Exhibit "P-7.1", CTA Case No. 8790, Docket, vol. III, pp. 2182-2184.
[16] Par. 8, Admitted Facts, JSFI, CTA Case No. 8790, Docket, vol. II, p. 1794; Exhibit "P-7.2", CTA Case No. 8790, Docket, vol. III, pp. 2185-2186.
[17] Exhibits "P-6.2", CTA Case No. 8790, Docket, vol. III, p. 2181.
[18] CTA Case No. 8790, Docket, vol. I, pp. 14-20.
[19] CTA Case No. 8835, Docket, pp. 6-12.
[20] CTA Case No. 8790, Order dated April 25, 2014 and Resolution dated May 27, 2014, Docket, pp. 57 and 59.
[21] CTA Case No. 8790, Docket, vol. I, pp. 60-66.

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> '***SEC. 112. Refunds or Tax Credits of Input Tax. – (C) Period Within Which Refund or Tax Credit of Input Taxes Shall be Made.*** *- In proper cases, the Commissioner shall grant a refund or issue the tax credit certificate for creditable input taxes* ***within one hundred twenty (120) days from the date of submission of complete documents in support of the application filed*** *in accordance with Subsections (A) hereof.*
>
> *In case of full or partial denial of the claim for tax refund or tax credit, or the failure on the part of the Commissioner to act on the application within the period prescribed above, the taxpayer affected may, within thirty (30) days from the receipt of the decision denying the claim or* ***after the expiration of the one hundred twenty day-period, appeal the decision or the unacted claim with the Court of Tax Appeals.'*** *(Emphasis and underscoring supplied)*

5. Pursuant to the aforequoted provision of the law, the Commissioner of Internal Revenue ('CIR', *for brevity*) has 120 days from submission of complete documents to decide the claim for refund and only after the expiration of the 120 day period may the taxpayer appeal the denial by inaction of respondent.

6. In relation thereto, petitioner's premature filing is duly admitted on its very own Petition for Review. These judicial admissions are bolstered under paragraphs 5 and 6 under the heading 'III. JURISDICTIONAL ALLEGATIONS', to wit:

> 6.1 'On February 17, 2014, Petitioner submitted the first batch of additional documents required under the Notice. **On February 27, 2014. Petitioner submitted the final batch of the documents** required under the Notice' (emphasis and underscoring supplied)
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> 6.2 '**The 120-day period within which Respondent is required to act on the claim for refund had lapsed on March 20, 2014** xxx' (emphasis and underscoring supplied)

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7. Petitioner alleged that it submitted the final batch of documents on **February 27, 2014**. Thereafter, it filed the Petition for Review on **March 28, 2014**. It is clear then that only **29 days** had lapsed from the purported submission of final batch of documents vis a vis the filing of its Petition for Review.

8. Going to the tenor of the law, the 120 day period counted from February 27, 2014 should have lapsed on June 27, 2014. Thereafter, petitioner has 30 days from June 27, 2014 or until July 27, 2014 within which to file its Petition for Review.

9. Based on the foregoing, it is apparent that petitioner failed to comply with the 120 day waiting period which is mandatory and jurisdictional thereby making the Petition for Review prematurely filed.

10. The Honorable Supreme Court in the case of Commissioner of Internal Revenue vs. Team Sual Corporation held, to wit:

> **'Failure to comply with the 120-day waiting period violates a mandatory provision of law. It violates the doctrine of exhaustion of administrative remedies and tenders the petition premature and thus without a cause of action, with the effect that the CTA does not acquire jurisdiction over the taxpayer's petition.** Philippine jurisprudence is replete with cases upholding and reiterating these doctrinal principles.
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> **The charter of the CTA expressly provides that its jurisdiction is to review on appeal "decisions of the Commissioner of Internal Revenue in cases involving x x x refunds of internal revenue taxes." When a taxpayer prematurely files a judicial claim for tax refund or credit with the CTA without waiting for the decision of the Commissioner, there is no "decision" of the Commissioner to review and thus the**

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> **CTA as a court of special jurisdiction has no jurisdiction over the appeal. The charter of the CTA also expressly provides that if the Commissioner fails to decide within "a specific period" required by law, such "inaction shall be deemed a denial" of the application for tax refund or credit. It is the Commissioner's decision, or inaction "deemed a denial," that the taxpayer can take to the CTA for review. Without a decision or an "inaction x x x deemed a denial" of the Commissioner, the CTA has no jurisdiction over a petition for review.'** (Emphasis supplied)

11. Thus, the instant petition should not be given due course for lack of jurisdiction.

ASSUMING ARGUENDO THAT THE INSTANT PETITION WAS TIMELY FILED, PETITIONER MUST PROVE THAT IT COMPLIED WITH ALL THE STATUTORY AND ADMINISTRATIVE REQUIREMENT TO BE ENTITLED TO TAX REFUND.

12. Taxes collected are presumed to be in accordance with laws and regulations.

13. Petitioner's alleged claim for refund is subject to administrative routinary investigation/examination by the Bureau of Internal Revenue. A claim for refund is not *ipso facto* granted because respondent CIR still has to investigate and ascertain the validity of the claim.

14. Taxes are essential to government's very existence; hence, the dictum that 'taxes are the lifeblood of the government.' For this reason, the right of taxation cannot easily be surrendered; statutes granting tax exemptions are considered as a derogation of the sovereign authority. Since tax refunds are regarded as tax exemptions therefore, these are to be construed ***strictissimi juris*** against the person or entity claiming the exemption.

15. In an action for refund, the burden of proof is on the taxpayer who claims the exemption and he must justify his claim by the clearest grant under the Constitutional or statutory law and cannot be permitted by vague implications. The taxpayer is charged with the heavy burden of proving that he has complied with and satisfied all the statutory and administrative requirements to be entitled to the tax refund.

16. To support its claim, it is imperative for petitioner to prove the following, viz:

a. The registration requirements of a value-added taxpayer in compliance with section 6 (a) and (b) of Revenue Regulations No. 6-97 in relation to Section 4.107-1 (a) of Revenue Regulations No. 7-95, and Section 236 of the Tax Code, as amended;

b. The invoicing and accounting requirements for VAT-registered persons, as well as the filing and payment of VAT in compliance with the provisions of Section 113 and 114 of the Tax Code, as amended;

c. Proof of compliance with the prescribed checklist of requirements to be submitted involving claim for VAT refund pursuant to Revenue Memorandum Order No. 53-98, otherwise there would be no sufficient compliance with the filing of an administrative application for refund which is a condition sine qua non prior to the filing of a judicial claim in accordance with Section 112 of the Tax Code, as amended. This requires the submission of complete documents in support of the application filed with the Bureau of Internal Revenue before the 120-day audit period shall apply, and before the taxpayer could avail of the judicial remedies as provided for in the law. Hence, petitioner's failure to submit proof of compliance with the above-stated requirements warrants immediate dismissal of the petitioner for review;

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d. That the input taxes of P16,165,791.62 allegedly incurred by petitioner for the first quarter of taxable year 2012 were attributable to its zero-rated sales and such have not been applied against any output tax and were not carried over to the succeeding taxable quarter or quarters;

e. **That petitioner's administrative and judicial claims for tax credit or refund of the unutilized input tax (VAT) was filed within the periods provided in Sections 112 (A) and (C) of the Tax Code, as amended;**

f. That petitioner's domestic purchases of goods and services were made in the course of its trade or business, properly supported by VAT invoices and /or official receipts and other documents, such as subsidiary purchase Journal showing that it actually paid VAT in accordance with Sections 110 (A) (2) and 113 of the Tax Code, as amended, and pursuant to Section 4.104-5 (a) and (b) of Revenue Regulations No. 7-95 (Re: Substantiation of Claims for Input Tax Credits);

g. The requirements as enumerated under Section 4.104-5 of Revenue Regulations No. 7-95. (Re: Substantiation of Claims for Input Tax Credits)

17. Petitioner must prove that the aggregate amount of P16,165,791.62 being claimed by petitioner arising from excess and unutilized input VAT for the first quarter of taxable year 2012 is properly documented.

18. Following the premise above-mentioned, petitioner has the burden of proving that the right to such tax refund indubitably exists and well-founded doubt is fatal to the claim."

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Meanwhile, for CTA Case No. 8835, respondent alleged the following special and affirmative defenses in the Answer[22] filed on October 7, 2014:

"SPECIAL AND AFFIRMATIVE DEFENSES

On the basis of the foregoing allegations and in further support of the Specific Denials herein set forth, respondent respectfully alleges as her defenses that:

4. Taxes collected are presumed to be in accordance with laws and regulations.

5. Petitioner's alleged claim for refund is subject to administrative routinary investigation/examination by the Bureau of Internal Revenue. A claim for refund is not *ipso facto* granted because respondent still has to investigate and ascertain the validity of the claim.

6. Taxes are essential to government's very existence; hence, the dictum that 'taxes are the lifeblood of the government.' For this reason, the right of taxation cannot easily be surrendered; statutes granting tax exemptions are considered as a derogation of the sovereign authority. Since tax refunds are regarded as tax exemptions therefore, these are to be construed ***strictissimi juris*** against the person or entity claiming the exemption.

7. In an action for refund, the burden of proof is on the taxpayer who claims the exemption and he must justify his claim by the clearest grant under the Constitutional or statutory law and cannot be permitted by vague implications. The taxpayer is charged with the heavy burden of proving that he has complied with and satisfied all the statutory and administrative requirements to be entitled to the tax refund.

8. To support its claim, it is imperative for petitioner to prove the following, viz:

   a. The registration requirements of a value-added taxpayer in compliance with section 6 (a) and (b) of

[22] CTA Case No. 8835, Docket, pp. 56-60.

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Revenue Regulations No. 6-97 in relation to Section 4.107-1 (a) of Revenue Regulations No. 7-95, and Section 236 of the Tax Code, as amended;

b. The invoicing and accounting requirements for VAT-registered persons, as well as the filing and payment of VAT in compliance with the provisions of Section 113 and 114 of the Tax Code, as amended;

c. Proof of compliance with the prescribed checklist of requirements to be submitted involving claim for VAT refund pursuant to Revenue Memorandum Order No. 53-98, otherwise there would be no sufficient compliance with the filing of an administrative application for refund which is a condition sine qua non prior to the filing of a judicial claim in accordance with Section 112 of the Tax Code, as amended. This requires the submission of complete documents in support of the application filed with the Bureau of Internal Revenue before the 120-day audit period shall apply, and before the taxpayer could avail of the judicial remedies as provided for in the law. Hence, petitioner's failure to submit proof of compliance with the above-stated requirements warrants immediate dismissal of the petitioner for review;

d. That the input taxes of P19,739,044.98 allegedly incurred by petitioner for the second quarter of taxable year 2012 were attributable to its zero-rated sales and such have not been applied against any output tax and were not carried over to the succeeding taxable quarter or quarters;

e. **That petitioner's administrative and judicial claims for tax credit or refund of the unutilized input tax (VAT) was filed within the periods provided in Sections 112 (A) and (C) of the Tax Code, as amended;**

f. That petitioner's domestic purchases of goods and services were made in the course of its trade or business, properly supported by VAT invoices and/or official receipts and other documents, such as subsidiary purchase Journal showing that it actually paid VAT in accordance with Sections 110 (A) (2) and 113 of the Tax Code, as amended, and pursuant

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to Section 4.104-5 (a) and (b) of Revenue Regulations No. 7-95 (Re: Substantiation of Claims for Input Tax Credits);

g. The requirements as enumerated under Section 4.104-5 of Revenue Regulations No. 7-95. (Re: Substantiation of Claims for Input Tax Credits)

9. Petitioner must prove that the aggregate amount of P19,739,044.98 being claimed by petitioner arising from excess and unutilized input VAT for the 2nd quarter of taxable year 2012 is properly documented.

10. Following the premise above-mentioned, petitioner has the burden of proving that the right to such tax refund indubitably exists and well-founded doubt is fatal to the claim."

CTA Case No. 8790 was set for Pre-Trial Conference on July 18, 2014.[23] Upon motion[24] of petitioner, the Pre-Trial Conference was reset to September 18, 2014.[25]

On August 18, 2014, petitioner filed a Motion to Consolidate CTA Case Nos. 8790[26] and 8835[27]. The Motion to Consolidate in CTA Case No. 8835 was granted by the Court in the Resolution[28] dated September 11, 2014. Subsequently, the Court issued Resolution[29] dated October 15, 2014, granting the Motion to Consolidate in CTA Case No. 8790.

Respondent's Pre-Trial Brief[30] was filed on November 12, 2014; while petitioner's Consolidated Pre-Trial Brief[31] was filed on November 24, 2014.

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[23] CTA Case No. 8790, Notice of Pre-Trial Conference, Docket, vol. I, p. 68.
[24] CTA Case No. 8790, Docket, vol. I, pp. 74-77.
[25] CTA Case No. 8790, Docket, vol. I, pp. 80-81.
[26] CTA Case No. 8790, Docket, vol. I, pp. 106-110.
[27] CTA Case No. 8835, Docket, pp. 41-44.
[28] CTA Case No. 8835, Docket, pp. 54-55.
[29] CTA Case No. 8790, Docket, vol. I, pp. 123-124.
[30] CTA Case No. 8790, Docket, vol. I, pp. 137-141.
[31] CTA Case No. 8790, Docket, vol. II, pp. 1698-1713.

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The parties filed their Joint Stipulations of Facts and Issues[32] on December 16, 2014. This was approved by the Court in the Resolution[33] dated December 19, 2014, which also terminated the Pre-Trial. Subsequently, the Court issued the Pre-Trial Order[34] on January 13, 2015.

Upon motion[35] of petitioner, the Court commissioned Ms. Czarina R. Miranda as the Independent Certified Public Accountant (ICPA) for the case.[36]

During trial, petitioner presented the following witnesses: Ms. Hyacinth Pacifico-Carreon[37], its Optimization Manager; Mr. Godofredo L. Tolores[38], its Acting Finance Coordinator; Ms. Czarina R. Miranda[39], the Court-commissioned ICPA; and Ms. Jennifer A. Valdez[40], its Fixed Assets Team Leader.

The Formal Offer of Evidence with Motion for Leave to Present Additional Evidence[41] was filed on September 29, 2015. In the Resolution[42] dated November 26, 2015, the Court granted petitioner's Motion for Leave to Present Additional Evidence while the resolution of its Formal Offer of Evidence was held in abeyance.

During the hearing held on May 17, 2016, petitioner presented Ms. Ma. Nerita C. Ferreol[43], its Manager-Business Analysis Support.

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[32] CTA Case No. 8790, Docket, vol. II, pp. 1793-1802.
[33] CTA Case No. 8790, Docket, vol. II, p. 1804.
[34] CTA Case No. 8790, Docket, vol. II, pp. 1814-1825.
[35] CTA Case No. 8790, Docket, vol. I, pp. 125-128.
[36] Oath of Commission, CTA case No. 8790, Docket, vol. II, p. 1879.
[37] Minutes of the Hearing dated February 10, 2015, CTA Case No. 8790, Docket, vol. II, pp. 1874-1878; Sworn Statement of Ms. Hyacinth Pacifico-Carreon To Questions Propounded By Atty. Rosa Margarita A. De Guzman, CTA Case No. 8790, Docket, vol. I, pp. 153-173.
[38] Minutes of the Hearing dated March 10, 2015 and August 13, 2015, CTA Case No. 8790, Docket, vol. II, pp. 1888-1889 and 1981-1982; Sworn Statement of Mr. Godofredo L. Tolores To Questions Propounded By Atty. Rosa Margarita A. De Guzman and Supplemental Sworn Statement of Mr. Godofredo L. Tolores To Questions Propounded By Atty. Rosa Margarita A. De Guzman, CTA Case No. 8790, Docket, vol. II, pp. 1611-1626 and 1971-1977
[39] Minutes of the Hearing dated March 31, 2015, CTA Case No. 8790, Docket, vol. II, pp. 1932-1935; Sworn Statement of Ms. Czarina R. Miranda To Questions Propounded By Atty. Rosa Margarita A. De Guzman, CTA Case No. 8790, Docket, vol. II, pp. 1896-1930.
[40] Minutes of the Hearing dated April 21, 2015, CTA Case No. 8790, Docket, vol. II, pp. 1939-1942; Sworn Statement Ms. Jennifer A. Valdez To Questions Propounded By Atty. Rosa Margarita A. De Guzman, CTA Case No. 8790, Docket, vol. II, pp. 1684-1688.
[41] CTA Case No. 8790, Docket, vol. III, pp. 1992-2052.
[42] CTA Case No. 8790, Docket, vol. IV, pp. 3140-3142.
[43] Minutes of the Hearing dated May 17, 2016, CTA Case No. 8790, Docket, vol. IV, pp. 3254-3256; Sworn Statement of Ms. Ma. Nerita C. Ferreol To Questions Propounded By Atty. Strella Marie G. Sacdalan, CTA Case No. 8790, Docket, vol. IV, pp. 3169-3176.

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Thereafter, petitioner filed a Supplemental Formal Offer of Evidence on May 23, 2016. This was resolved by the Court together with its Formal Offer of Evidence in the Resolution[44] dated July 25, 2016. The formally offered exhibits, consisting of Exhibits "P-1" to "P-19" and "P-21" to "P-58.1", inclusive of submarkings, were admitted except for Exhibits "P-17, "P-18.1", "P-19, and "P-21", for not being found in the records; Exhibits "P-11.1", "P-11.2", "P-11.3", "P-11.4", "P-11.5", "P-11.6", "P-11.7", "P-11.8", "P-11.9", "P-11.10", "P-11.11", "P-11.12", "P-11.13", "P-11.14", "P-11.15", "P-11.16", "P-11.17", "P-11.18", "P-11.19", "P-11.20", "P-11.20.1", "P-12.3", "P-12.4", "P-12.13", "P-42.1 (Page 1 of Annexes F-8 to F-11)", "P-54.1", and "P-54.2", for failure to present their originals for comparison; and Exhibits "P-8.4" and "P-8.5", for failure to correspond to their description in the formal offer of evidence.

Petitioner filed through registered mail a Motion for Reconsideration (Re: Resolution dated July 25, 2016) on August 11, 2016, which was received by the Court on August 18, 2016. This was partially granted by the Court in the Resolution dated November 22, 2016. However, Exhibits "P-11.1", "P-11.2", "P-11.3", "P-11.4", "P-11.5", "P-11.6", "P-11.7", "P-11.8", "P-11.9", "P-11.10", "P-11.11", "P-11.12", "P-11.13", "P-11.14", "P-11.15", "P-11.16", "P-11.17", "P-11.18", "P-11.19", "P-11.20", "P-11.20.1", "P-12.3", "P-12.4", "P-12.13", and "P-42.1" (Page 1 of Annexes F-8 to F-11) were still denied for failure to present the originals for comparison.

The documentary evidence formally offered by the petitioner and admitted by the Court are as follows:

Exhibit:	Description:
P-1	Chevron Holdings, Inc.'s (Petitioner) Certificate of Registration and License No. A199802846 dated June 3, 1998 issued by the Securities and Exchange Commission (SEC)
P-2	Petitioner's Amended SEC License dated January 9, 2006
P-3	Petitioner's Certificate of Registration (COR) with the Bureau of Internal Revenue (BIR) dated July 30, 1998
P-4.1	Petitioner's Claimant Information Sheet No. 68575
P-4.2	Claim Stub No. 68575
P-4.3	Official Receipt (OR) No. 0619122 dated October 31, 2013
P-4.4	Petitioner's Claimant Information Sheet No. 68576
P-4.5	Claim Stub No. 68575
P-4.6	OR No. 0619544 dated January 16, 2014
P-4.7	OR No. 0619545 dated January 16, 2014

[44] CTA Case No. 8790, Docket, vol. IV, pp. 3350-3353.

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P-5.1	Covering Letter with the caption CHI Claim for Refund for the 1st Quarter of CY 2012 – General Requirements (Folder 1), which was stamped-received by the DOF-OSS on October 31, 2013
P-5.2	Covering Letter with the caption CHI - Enrolment with the DOF-OSS, which was stamped-received by the DOF-OSS on October 30, 2013
P-5.3	Covering Letter with the caption CHI Claim for Refund for the 1st Quarter of CY 2012 – Initial Application Folder, which was stamped-received on October 13, 2013
P-5.4	Covering Letter with the caption CHI Claim for Refund for the 1st Quarter of CY 2012 – Importation of Goods, which was stamped-received by the DOF-OSS on October 31, 2013
P-5.5	Covering Letter with the caption CHI Claim for Refund for the 1st Quarter of CY 2012 – Local Purchases of Goods and Services, Sales of Goods or Services and Dollar Remittances, which was stamped-received by the DOF-OSS on October 31, 2013
P-5.6	Covering Letter with the caption CHI Claim for Refund for the 1st Quarter of CY 2012 – Other Requirements, which was stamped-received by the DOF-OSS on October 31, 2013
P-5.7	Covering Letter with the caption CHI Claim for Refund for the 2nd Quarter of CY 2012 – General Requirements (Folder I), which was stamped-received by the DOF-OSS on January 15, 2014
P-5.8	Covering Letter with the caption CHI Claim for Refund for the 2nd Quarter of CY 2012 – Local Purchases of Goods and Services, which was stamped-received by the DOF-OSS on January 15, 2014
P-5.9	Covering Letter with the caption CHI Claim for Refund for the 2nd Quarter of CY 2012 – Sales of Goods and Services, which was stamped-received by the DOF-OSS on January 15, 2014
P-5.10	Covering Letter with the caption CHI Claim for Refund for the 2nd Quarter of CY 2012 – Dollar Remittances, which was stamped-received by the DOF-OSS on January 15, 2014
P-5.11	Covering Letter with the caption CHI Claim for Refund for the 2nd Quarter of CY 2012 – Importation of Goods, which was stamped-received by the DOF-OSS on January 15, 2014
P-5.12	Covering Letter with the caption CHI Claim for Refund for the 2nd Quarter of CY 2012 – Other Requirements, which was stamped-received by the DOF-OSS on January 15, 2014
P-6.1	LOA No. LOA-311-2013-00000176 (eLA201000050327) dated November 28, 2013 with attached First Notice dated February 7, 2014
P-6.2	LOA No. LOA-411-2014-00000015 (eLA201000050364) dated March 10, 2014
P-7.1	Petitioner's Transmittal Letter dated February 17, 2014
P-7.2	Petitioner's Transmittal Letter dated February 26, 2014, which was stamped-received by the BIR VAT Credit and Audit Division on February 27, 2014
P-8.1	Petitioner's Quarterly VAT Return (BIR Form No. 2550-Q)for the 1st quarter of CY 2012, which was filed with the BIR through its EFPS with Filing Reference No. 101200005867311 on April 24, 2012
P-8.3	Petitioner's Amended VAT Return (BIR Form No. 2550-Q) for the 1st quarter of CY 2012, which was filed with the BIR through its EFPS with Filing Reference No. 10120000598133 on May 28, 2012
P-8.2	Petitioner's Quarterly VAT Return (BIR Form No. 2550-Q)for the 2nd quarter of CY 2012, which was filed with the BIR through its EFPS with Filing Reference No. 101200006181133 on July 25, 2012
P-8.4	Petitioner's Amended VAT Return (BIR Form No. 2550-Q) for the 3rd quarter of CY 2012, which was filed with the BIR through its EFPS with Filing Reference No. 101200006495290 on October 24, 2012
P-8.5	Petitioner's Amended VAT Return (BIR Form No. 2550-Q) for the 4th quarter of CY 2012, which was filed with the BIR through its EFPS with Filing Reference No. 101300006852667 on January 25, 2013

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P-9.1	Petitioner's Quarterly VAT Return (BIR Form No. 2550-Q) for the 3rd quarter of CY 2012 which was filed with the BIR through its EFPS with Filing Reference No. 101200006495290 on October 24, 2012
P-9.2	Petitioner's Quarterly VAT Return (BIR Form No. 2550-Q) for the 4th quarter of CY 2012 which was filed with the BIR through its EFPS with Filing Reference No. 101300006852667 on January 25, 2013
P-9.3	Petitioner's Amended Quarterly VAT Return (BIR Form No. 2550-Q) for the 1st quarter of CY 2013 which was filed with the BIR through its EFPS with Filing Reference No. 101400008422718 on January 28, 2014
P-9.4	Petitioner's Amended Quarterly VAT Return (BIR Form No. 2550-Q) for the 2nd quarter of CY 2013 which was filed with the BIR through its EFPS with Filing Reference No. 101400008670933 on March 10, 2014
P-9.5	Petitioner's Quarterly VAT Return (BIR Form No. 2550-Q) for the 3rd quarter of CY 2013 which was filed with the BIR through its EFPS with Filing Reference No. 101300007962760 on October 22, 2013
P-9.6	Petitioner's Monthly VAT Declaration (BIR Form No. 2550-M) for the month of November 2013 which was filed with the BIR through its EFPS with Filing Reference No. 091300008229809 on December 19, 2013
P-9.7	Petitioner's Amended Quarterly VAT Return (BIR Form No. 2550-Q) for the 4th quarter of CY 2013 which was filed with the BIR through its EFPS with Filing Reference No. 101400008561615 on February 19, 2014
P-10.1	Certification of Non-registration of Chevron Africa-Pakistan Services in the Philippines issued by the SEC on September 16, 2014
P-10.2	Certification of Non-registration of Chevron Al Khalij A Branch in the Philippines issued by the SEC on September 16, 2014
P-10.3	Certification of Non-registration of Chevron Asia Pacific EP Company in the Philippines issued by the SEC on September 15, 2014
P-10.4	Certification of Non-registration of Chevron Asia South Limited in the Philippines issued by the SEC on September 15, 2014
P-10.5	Certification of Non-registration of Chevron Australia Pty Ltd. in the Philippines issued by the SEC on September 16, 2014
P-10.6	Certification of Non-registration of Chevron Bangladesh in the Philippines issued by the SEC on September 15, 2014
P-10.7	Certification of Non-registration of Chevron Business and Real Estate in the Philippines issued by the SEC on September 16, 2014
P-10.8	Certification of Non-registration of Chevron Brasil Lubrificantes Ltd. in the Philippines issued by the SEC on September 16, 2014
P-10.9	Certification of Non-registration of Chevron Caltex Services Corporation in the Philippines issued by the SEC on September 16, 2014
P-10.10	Certification of Non-registration of Chevron Canada Ltd. in the Philippines issued by the SEC on September 15, 2014
P-10.11	Certification of Non-registration of Chevron China Energy Co. in the Philippines issued by the SEC on September 15, 2014
P-10.12	Certification of Non-registration of Chevron Corporation in the Philippines issued by the SEC on September 16, 2014
P-10.13	Certification of Non-registration of Chevron Energy Technology Co. in the Philippines issued by the SEC on September 16, 2014
P-10.14	Certification of Non-registration of Chevron Global Downstream in the Philippines issued by the SEC on September 16, 2014
P-10.15	Certification of Non-registration of Chevron Global Gas in the Philippines issued by the SEC on September 15, 2014
P-10.16	Certification of Non-registration of Chevron Hong Kong Ltd. in the Philippines issued by the SEC on September 16, 2014
P-10.17	Certification of Non-registration of Chevron International Limited in the Philippines issued by the SEC on September 17, 2014
P-10.18	Certification of Non-registration of Chevron International Pte Ltd. in

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	the Philippines issued by the SEC on September 17, 2014
P-10.19	Certification of Non-registration of Chevron Information Services Company in the Philippines issued by the SEC on September 15, 2014
P-10.20	Certification of Non-registration of Chevron Information Technology Co. in the Philippines issued by the SEC on September 16, 2014
P-10.21	Certification of Non-registration of Chevron Intl Exploration in the Philippines issued by the SEC on September 15, 2014
P-10.22	Certification of Non-registration of Chevron Intl Exploration Production in the Philippines issued by the SEC on September 15, 2014
P-10.23	Certification of Non-registration of Chevron Kuo Pte Ltd. in the Philippines issued by the SEC on September 16, 2014
P-10.24	Certification of Non-registration of Chevron Lubricant /EFCA in the Philippines issued by the SEC on September 15, 2014
P-10.25	Certification of Non-registration of Chevron Lubricants Lanka PLC in the Philippines issued by the SEC on September 16, 2014
P-10.26	Certification of Non-registration of Chevron Lubricant Oils in the Philippines issued by the SEC on September 16, 2014
P-10.27	Certification of Non-registration of Chevron Malaysia Limited in the Philippines issued by the SEC on September 16, 2014
P-10.28	Certification of Non-registration of Chevron NA Exploration Prod. Co. in the Philippines issued by the SEC on September 16, 2014
P-10.29	Certification of Non-registration of Chevron Neftegaz, Inc. in the Philippines issued by the SEC on October 16, 2014
P-10.30	Certification of Non-registration of Chevron Neftegaz Inc. – Home Office in the Philippines issued by the SEC on September 18, 2014
P-10.31	Certification of Non-registration of Chevron New Zealand in the Philippines issued by the SEC on September 16, 2014
P-10.32	Certification of Non-registration of Chevron North Sea Ltd. in the Philippines issued by the SEC on September 16, 2014
P-10.33	Certification of Non-registration of Chevron Oronite Company in the Philippines issued by the SEC on September 15, 2014
P-10.34	Certification of Non-registration of Chevron Oronite Company LLC in the Philippines issued by the SEC on September 16, 2014
P-10.35	Certification of Non-registration of Chevron Oronite Pte. Ltd in the Philippines issued by the SEC on September 17, 2014
P-10.36	Certification of Non-registration of Chevron Petroleum Company in the Philippines issued by the SEC on September 16, 2014
P-10.37	Certification of Non-registration of Chevron Productos CHV Mexico in the Philippines issued by the SEC on September 16, 2014
P-10.38	Certification of Non-registration of Chevron Products Company in the Philippines issued by the SEC on September 16, 2014
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P-10.40	Certification of Non-registration of Chevron Services Company in the Philippines issued by the SEC on September 17, 2014
P-10.41	Certification of Non-registration of Chevron Singapore Pte Ltd. in the Philippines issued by the SEC on September 16, 2014
P-10.42	Certification of Non-registration of Chevron South Africa (Pty) Ltd. in the Philippines issued by the SEC on September 16, 2014
P-10.43	Certification of Non-registration of Chevron Texaco China Energy Co. in the Philippines issued by the SEC on September 16, 2014
P-10.44	Certification of Non-registration of Chevron Thailand Limited in the Philippines issued by the SEC on September 16, 2014
P-10.45	Certification of Non-registration of Chevron Trading Pte Ltd in the Philippines issued by the SEC on September 17, 2014
P-10.46	Certification of Non-registration of Chevron USA in the Philippines issued by the SEC on September 15, 2014
P-10.47	Certification of Non-registration of Chevron USA Singapore Branch in the Philippines issued by the SEC on September 16, 2014

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P-10.48	Certification of Non-registration of CUSA Global Lubricants Asia Pacific in the Philippines issued by the SEC on September 17, 2014
P-10.49	Certification of Non-registration of Unocal East China Sea Ltd. in the Philippines issued by the SEC on September 16, 2014
P-11.21	Amended and Restated Articles of Incorporation of Chevron U.S.A. Inc. filed with the Bureau of Corporations and Charitable Organizations of the Pennsylvania Department of State
P-11.21.1	By-Laws of Chevron U.S.A. Inc.
P-11.22	Restated Certificate of Incorporation of Chevron Corporation duly certified as true and correct based on the records of the Secretary of State of Delaware, USA
P-11.23	Certificate of Incorporation on Change of Name of Chevron North Sea Limited issued by the Registrar of Companies for England and Wales
P-11.24	Certificate of Registration of Foreign Company of Chevron U.S.A. Inc. (Singapore Branch) issued by the Deputy Registrar of Companies and Business of Singapore
P-11.25	Certificate Confirming Incorporation of Company of Chevron International Pte. Ltd issued by the Accounting and Corporate Regulatory Authority of Singapore
P-11.26	Certificate of Incorporation of Chevron New Zealand (formerly Caltex Oil (N.Z.) Limited) issued by the Registrar of Companies of New Zealand, with attached Constitution of Caltex Oil (N.Z.) Limited
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P-11.28	Tax Residence Certificate of Chevron New Zealand
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P-14.5.1	Location of Chevron Australia Pty Ltd
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P-14.49	Screenshot of Chevron Subsidiary Governance Website of Unocal East China Sea Ltd.
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P-15	Screenshots of Chevron Corporation's records with the Securities and Exchange Commission (SEC) of the United States
P-15.1	Chevron Australia Pty. Ltd. which appears on the screenshots (page 8) of Chevron Corporation's records with the SEC of the United States
P-15.1.1	Location of Chevron Australia Pty. Ltd.
P-15.2	Chevron Canada Ltd. which appears on the screenshots (page 8) of Chevron Corporation's records with the SEC of the United States
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P-15.5.1	Location of Chevron Petroleum Company

P-15.6	Chevron (Thailand) Limited which appears on the screenshots (page 9) of Chevron Corporation's records with the SEC of the United States
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P-15.7.1	Location of Chevron U.S.A., Inc.
P-16.1	Service Agreement between Petitioner and Chevron Oronite Pte Ltd
P-16.2	Service Agreement between Petitioner and Chevron U.S.A. Inc.
P-16.3	Service Agreement between Petitioner and Chevron Canada Limited (Products Division)
P-16.4	Service Agreement between Petitioner and Chevron Australia Pty. Limited
P-16.5	Service Agreement between Petitioner and Chevron U.S.A Inc., Singapore Operations (Branch)
P-16.6	Service Agreement between Petitioner and Chevron North Sea Limited
P-16.7	Service Agreement between Petitioner and Chevron International Pte. Ltd.
P-16.8	Service Agreement between Petitioner and Chevron Asia Pacific Holdings, Limited (with Chevron Alkhalij as branch)
P-16.9	Service Agreement between Petitioner and Chevron Lubricants Lanka PLC
P-16.10	Service Agreement between Petitioner and Chevron Singapore Pte. Ltd.
P-16.11	Service Agreement between Petitioner and Chevron Trading Pte Ltd
P-16.12	Service Agreement between Petitioner and Chevron South Africa (PTY) Limited
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P-16.19	Service Agreement between Petitioner and Chevron Products UK Limited
P-16.20	Service Agreement between Petitioner and Chevron Neftegaz, Inc.
P-16.21	Service Agreement between Petitioner and Chevron Overseas Services Corporation
P-16.22	Service Agreement between Petitioner and PT Chevron Oil Products Indonesia
P-17, inclusive of submarkings	Official receipts, invoices and other related documents in support of Petitioner's zero-rated sales for the 1st and 2nd quarters of CY 2012
P-18.1	Bank certifications of inward remittances issued by JP Morgan Chase
P-18.2	Bank Statements for the 1st and 2nd quarters of CY 2012
P-19, inclusive of submarkings	Supplier's official receipts, invoices and other documents in support Petitioner's purchases of goods and services for the 1st and 2nd quarters of CY 2012
P-21	Petitioner's Audited Financial Statements for CY 2012
P-22	Summary of Input Taxes on Capital Goods
P-23	"Settlement to WIP" Account (Account No. 81901300) of Petitioner's general ledger
P-24	Fixed Asset Account of Petitioner's general ledger
P-25	PP&D VAT Recorded on Capital Expense Account (Account No. 17100100) of Petitioner's general ledger
P-26	Sworn Statement of Ms. Hyacinth Pacifico-Carreon
P-26.1	Signature of Ms. Carreon
P-27	Sworn Statement of Mr. Godofredo L. Tolores

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P-27.1	Signature of Mr. Tolores
P-28	Sworn Statement of Ms. Jennifer A. Valdez
P-28.1	Signature of Ms. Valdez
P-29	Report on the Findings of the Independent Certified Public Accountant (CPA), Ms. Czarina R. Miranda, dated March 12, 2015
P-29.1	Signature of Ms. Miranda
P-30.1	Petition for Review for the 1st quarter of CY 2012
P-30.2	Petition for Review for the 2nd quarter of CY 2012
P-31.1	Collection Summary of Zero-rated Sales and Vatable Sales for the 1st quarter of CY 2012
P-31.2	Collection Summary of Zero-rated Sales and Vatable Sales for the 2nd quarter of CY 2012
P-32, inclusive of submarkings	Summary List of Sales (SLS) for the 1st and 2nd quarter of CY 2012
P-33, inclusive of submarkings	Official receipts for Petitioner's zero-rated sales for 1st and 2nd quarters of CY 2012
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P-35.2	Summary of Export Sales for the 2nd quarter of CY 2012
P-36.1	Summary List of Purchases (SLP) for the 1st quarter of CY 2012
P-36.2	SLP for the 2nd quarter of CY 2012
P-37.1	Summary List of Importations (SLI) for the 1st quarter of CY 2012
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P-38.1	Schedule of Domestic Purchases of Goods for the 1st quarter of CY 2012
P-38.2	Schedule of Domestic Purchases of Goods for the 2nd quarter of CY 2012
P-39.1	Schedule of Domestic Purchases of Services and Purchases of Services Rendered to Non-residents for the 1st quarter of CY 2012
P-39.2	Schedule of Domestic Purchases of Services and Purchases of Services Rendered to Non-residents for the 2nd quarter of CY 2012
P-40.1	Schedule of Capital Goods Purchased for the 1st quarter of CY 2012
P-40.2	Schedule of Capital Goods Purchased for the 2nd quarter of CY 2012
P-41.1	Schedule of Importation of Goods for the 1st quarter of CY 2012
P-41.2	Schedule of Importation of Goods for the 2nd quarter of CY 2012
P-42.1, inclusive of submarkings	Official Receipts, Invoices, Import Entry and Internal Revenue Declarations (IEIRD), Monthly Remittance Returns of VAT and Other Percentage Taxes Withheld (BIR Form No. 1600) and other documents supporting Petitioner's input VAT for the 1st and 2nd quarters of CY 2012 (Validly Supported)
P-42.2, inclusive of submarkings	Official Receipts, IEIRDs, Monthly Remittance Returns of VAT and Other Percentage Taxes Withheld (BIR Form No. 1600) and other documents supporting Petitioner's input VAT for the 1st and 2nd quarters of CY 2012 (With findings)
P-43	Amortization of Input VAT: Monthly Summary of Input Taxes for the 1st and 2nd quarters of CY 2012
P-44.1	General Ledger No. 17100100 – "PP&D Property Taxes for the 1st quarter of CY 2012"
P-44.2	General Ledger No. 17100100 – "PP&D Property Taxes for the 2nd quarter of CY 2012"
P-45	Input Taxes on Purchases from Prior Months/Quarters
P-46	Input Taxes on Purchases in Succeeding Months/Quarters
P-47	Petitioner's Amended Quarterly VAT Return (BIR Form No. 2550-Q) for the 4th quarter of CY 2011, which was filed with the BIR through its EFPS with Filing Reference No. 101200005968960 on May 22, 2012

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P-48.1	Petitioner's Amended Quarterly VAT Return (BIR Form No. 2550-Q) for the 1st quarter of CY 2013 which was filed with the BIR through its EFPS with Filing Reference No. 101400008422718 on January 28, 2014
P-48.2	Petitioner's Amended Quarterly VAT Return (BIR Form No. 2550-Q) for the 2nd quarter of CY 2013 which was filed with the BIR through its EFPS with Filing Reference No. 101400008670933 on March 10, 2014
P-48.3	Petitioner's Amended Quarterly VAT Return (BIR Form No. 2550-Q) for the 3rd quarter of CY 2013 which was filed with the BIR through its EFPS with Filing Reference No. 101400008404675 on January 24, 2014
P-48.4	Petitioner's Amended Quarterly VAT Return (BIR Form No. 2550-Q) for the 4th quarter of CY 2013 which was filed with the BIR through its EFPS with Filing Reference No. 101400008561615 on February 19, 2014
P-49.1	Petitioner's Amended Quarterly VAT Return (BIR Form No. 2550-Q) for the 1st quarter of CY 2014 which was filed with the BIR through its EFPS with Filing Reference No. 101400009648574 on September 15, 2014
P-49.2	Petitioner's Amended Quarterly VAT Return (BIR Form No. 2550-Q) for the 2nd quarter of CY 2014 which was filed with the BIR through its EFPS with Filing Reference No. 101400009665944 on September 18, 2014
P-50.1	Journal Entry on Reclassification of Input Tax Claimed to "A/R Cur-Input Tx Rec" – Account No. 15802060 (Doc No. 40003786) for the 1st quarter of CY 2012
P-50.2	Journal Entry on Reclassification of Input Tax Claimed to "A/R Cur-Input Tx Rec" – Account No. 15802060 (Doc No. 40003786) for the 2nd quarter of CY 2012
P-51.1	Journal Entry on Recognition of Capital Goods and Amortization of Input VAT for the 1st quarter of CY 2012
P-51.2	Journal Entry on Recognition of Capital Goods and Amortization of Input VAT for the 2nd quarter of CY 2012
P-52.1	BIR eSubmission Validation Report for SLS, SLP, SLI for the 1st quarter of CY 2012
P-52.2	BIR eSubmission Validation Report for SLS, SLP, SLI for the 2nd quarter of CY 2012
P-53.1	Settlement Advice from Bank of Philippine Islands for the 1st quarter of CY 2012
P-53.2	Settlement Advice from Bank of Philippine Islands for the 2nd quarter of CY 2012
P-54.1	Release Instruction from the Bureau of Customs for the 1st quarter of CY 2012
P-54.2	Release Instruction from the Bureau of Customs for the 2nd quarter of CY 2012
P-55	Sworn Statement of Ms. Miranda
P-55.1	Signature of Ms. Miranda
P-56	VAT OR No. 29110
P-57	VAT OR No. 29768
P-58	Sworn Statement of Ms. Ma. Nerita C. Ferreol to Questions Propounded by Atty. Strella Marie G. Sacdalan dated May 2, 2016
P-58-1	Signature of Ms. Ferreol

C

During the May 17, 2016 hearing, counsel for respondent manifested that she has no evidence to present.[45]

The Memorandum (For Respondent)[46] was filed on December 6, 2016; while petitioner's Memorandum[47] was filed on January 19, 2017. Thus, in the Resolution[48] dated January 30, 2017, the instant Petition for Review was declared submitted for decision.

The parties stipulated on the following issue[49] for resolution of this Court:

> Whether or not petitioner is entitled to a tax refund or tax credit in the aggregate amount of Thirty-Five Million Nine Hundred Four Thousand Eight Hundred Thirty-Six and 60/100 Pesos (₱35,904,836.60) allegedly representing excess and unutilized input VAT attributable to zero-rated sales for the first and second quarters of CY 2012.

Section 112(A) of the National Internal Revenue Code of 1997, as amended, provides the basis for the refund or tax credit of excess input VAT attributable to zero-rated or effectively zero-rated sales, to wit:

> "SEC. 112. *Refunds or Tax Credits of Input Tax.* –
>
> (A) *Zero-rated or Effectively Zero-rated Sales.* – Any VAT-registered person, whose sales are zero-rated or effectively zero-rated may, within two (2) years after the close of the taxable quarter when the sales were made, apply for the issuance of a tax credit certificate or refund of creditable input tax due or paid attributable to such sales, except transitional input tax, to the extent that such input tax has not been applied against output tax: *Provided, however*, That in the case of zero-rated sales under Section 106(A)(2)(a)(1), (2) and (b) and Section 108(B)(1) and (2), the acceptable foreign currency exchange proceeds thereof had been duly accounted for in accordance with the rules and regulations of the Bangko Sentral

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[45] Minutes of the Hearing dated May 17, 2016, CTA Case No. 8790, Docket, vol. IV, pp. 3254-3256; Order dated May 17, 2016, CTA Case No. 8790, Docket, vol. IV, pp. 3257-3258.
[46] CTA Case No. 8790, Docket, vol. IV, pp. 3428-3434.
[47] CTA Case No. 8790, Docket, vol. IV, pp. 3447-3473.
[48] CTA Case No. 8790, Docket, vol. IV, pp. 3474.
[49] Issues, JSFI, CTA Case No. 8790, Docket, vol. II, p. 1795.

> ng Pilipinas (BSP): *Provided, further*, That where the taxpayer is engaged in zero-rated or effectively zero-rated sale and also in taxable or exempt sale of goods of properties or services, and the amount of creditable input tax due or paid cannot be directly and entirely attributed to any one of the transactions, it shall be allocated proportionately on the basis of the volume of sales: *Provided, finally*, That for a person making sales that are zero-rated under Section 108(B)(6), the input taxes shall be allocated ratably between his zero-rated and non-zero-rated sales."

Based on the foregoing provision, in order to be entitled to refund or tax credit of input tax due or paid attributable to zero-rated or effectively zero-rated sales, the following requisites must be satisfied:

1. That there must be zero-rated or effectively zero-rated sales;
2. That input taxes are due or paid;
3. That such input taxes were attributable to zero-rated sales or effectively zero-rated sales;
4. That the input taxes were not applied against any output VAT liability; and
5. That the claim for refund was filed within the two-year prescriptive period.

Timeliness of the filing of the administrative and judicial claims

As explicitly stated under Section 112(A) of NIRC of 1997, as amended, the application for the issuance of TCC or the refund of unutilized excess input VAT must be filed within two (2) years after the close of the taxable quarter when the zero-rated or effectively zero-rated sales were made.

The present claim covers the first and second quarters of CY 2012 which closed on March 31, 2012 and June 30, 2012, respectively. Counting two years from the said dates, petitioner had until March 31, 2014 and June 30, 2014, respectively, within which to file its administrative claim for tax credit or refund. Clearly, petitioner's administrative claims filed with the DOF-OSS were seasonably filed, as shown below:

ℒ

Case No.	Taxable Quarter of CY 2012	Close of the Taxable Quarter	Last Day to File Administrative Claim	Date of Filing of Administrative Claim
8790	First Quarter	March 31, 2012	March 31, 2014	October 31, 2013[50]
8835	Second Quarter	June 30, 2012	June 30, 2014	January 16, 2014[51]

As to the timeliness of petitioner's judicial appeal, Section 112(C) of the NIRC of 1997, as amended, provides as follows:

> "SEC. 112. *Refunds or Tax Credits of Input Tax.* –
>
> xxx xxx xxx
>
> (C) *Period within which Refund or Tax Credit of Input Taxes shall be Made.* – In proper cases, the Commissioner shall grant a refund or issue the tax credit certificate for creditable input taxes within one hundred twenty (120) days from the date of submission of complete documents in support of the application filed in accordance with Subsection (A) hereof.
>
> In case of full or partial denial of the claim for tax refund or tax credit, or the failure on the part of the Commissioner to act on the application within the period prescribed above, the taxpayer affected may, within thirty (30) days from the receipt of the decision denying the claim or after the expiration of the one hundred twenty day-period, appeal the decision or the unacted claim with the Court of Tax Appeals."

Accordingly, respondent has one hundred twenty (120) days from the date of submission of the complete documents within which to grant or deny the claim. In case of respondent's inaction on the claim, petitioner is given a period of thirty (30) days from the expiration of the 120-day period to appeal the claim before this Court.

It must be noted that the 120-day period begins to run from the date of submission of complete documents supporting the administrative claim. If there is no evidence showing that the taxpayer was required to submit – or actually submitted – additional documents

[50] Exhibits "P-4.1" to "P-4.2", CTA Case No. 8790, Docket, vol. III, pp. 2159-2160.
[51] Exhibits "P-4.4" to "P-4.5", CTA Case No. 8790, Docket, vol. III, pp. 2162-2163.

after the filing of the administrative claim, it is presumed that the complete documents accompanied the claim when it was filed.[52]

In the case of *Pilipinas Total Gas, Inc. vs. Commissioner of Internal Revenue ("Pilipinas Total Gas" for brevity)*[53], the Supreme Court held that upon filing of the application for tax credit or refund for excess creditable input taxes, the taxpayer-claimant is given thirty (30) days within which to complete the required documents, unless given further extension by the head of the processing unit. If, in the course of the investigation and processing of the claim, additional documents are required for the proper determination of the legitimate amount of claim, the taxpayer-claimants shall submit such documents within thirty (30) days from request of the investigating/processing office. Notice, by way of a request from the tax collection authority to produce the complete documents in these cases, is essential. It is only upon the submission of these documents that the 120-day period would begin to run.

In this case, with regard to the judicial claim for the first quarter of CY 2012 (CTA Case No. 8790), petitioner received a Letter of Authority[54] dated November 28, 2013, with attached First Notice[55] dated February 7, 2014, requiring petitioner to submit additional documents in support of its administrative claim for refund. In compliance therewith, petitioner submitted several documents on February 17, 2014[56] (first batch) and on February 27, 2014[57] (final batch).

Counting 120 days from February 27, 2014, the date when petitioner submitted the last batch of documents, respondent had until June 27, 2014, within which to grant or deny the claim. However, petitioner failed to observe this period as required by law and prematurely filed its Petition for Review on March 28, 2014.

The observance of the 120-day period is a mandatory and jurisdictional requisite to the filing of a judicial claim for refund before

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[52] *Silicon Philippines, Inc. (Formerly Intel Philippines Manufacturing, Inc.) vs. Commissioner of Internal Revenue*, G.R. No. 182737, March 2, 2016.
[53] G.R. No. 207112, December 8, 2015.
[54] Exhibit "P-6.1", CTA Case No. 8790, Docket, vol. III, p. 2178.
[55] Exhibit "P-6.1", CTA Case No. 8790, Docket, vol. III, pp. 2179-2180.
[56] Exhibit "P-7.1", CTA Case No. 8790, Docket, vol. III, pp. 2182-2184.
[57] Exhibit "P-7.2", CTA Case No. 8790, Docket, vol. III, pp. 2185-2186.

the CTA. As such, its non-observance would warrant the dismissal of the judicial claim for lack of jurisdiction.[58]

Thus, CTA Case No. 8790, or petitioner's claim for refund for the first quarter of CY 2012, must be denied for lack of jurisdiction.

It must be emphasized that jurisdiction over the subject matter or nature of an action is fundamental for a court to act on a given controversy, and is conferred only by law and not by the consent or waiver upon a court which, otherwise, would have no jurisdiction over the subject matter or nature of an action. Lack of jurisdiction of the court over an action or the subject matter of an action cannot be cured by the silence, acquiescence, or even by express consent of the parties. If the court has no jurisdiction over the nature of an action, its only jurisdiction is to dismiss the case. The court could not decide the case on the merits.[59]

As regards the claim for refund for the second quarter of CY 2012 (CTA Case No. 8835), petitioner, upon filing of its administrative claim on January 16, 2014, simultaneously submitted the supporting documents. Since there was no written notice sent by respondent requiring petitioner to submit additional documents, the 120-day period commenced on the same date and lapsed on May 16, 2014. Accordingly, petitioner had 30 days, or until June 15, 2014, to appeal the inaction of respondent. Hence, petitioner's judicial claim via Petition for Review on June 13, 2014 was timely filed.

The Court will now proceed to determine petitioner's compliance with the remaining requisites to be entitled to its claim for refund for the second quarter of CY 2012 (CTA Case No. 8835).

Petitioner had zero-rated sales/receipts for the 2nd quarter of CY 2012

Petitioner asserts that the services it renders to entities doing business outside the Philippines are subject to zero percent (0%) VAT

[58] *Cargill Philippines, Inc. vs. Commissioner of Internal Revenue,* G.R. No. 203774, March 11, 2015.
[59] *Nippon Express (Philippines) Corp. vs. Commissioner of Internal Revenue,* G.R. No. 185666, February 4, 2015.

pursuant to Section 108(B)(2) of the NIRC of 1997, as amended, to wit:

> "SEC. 108. *Value-added Tax on Sale of Services and Use or Lease of Properties.* –
>
> xxx xxx xxx
>
> (B) *Transactions Subject to Zero Percent (0%) Rate.* – The following services performed in the Philippines by VAT-registered persons shall be subject to zero percent (0%) rate:
>
> (1) Processing, manufacturing or repacking goods for other persons doing business outside the Philippines which goods are subsequently exported, where the services are paid for in acceptable foreign currency and accounted for in accordance with the rules and regulations of the Bangko Sentral ng Pilipinas (BSP);
>
> (2) Services other than those mentioned in the preceding paragraph rendered to a person engaged in business conducted outside the Philippines or to a nonresident person not engaged in business who is outside the Philippines when the services are performed, the consideration for which is paid for in acceptable foreign currency and accounted for in accordance with the rules and regulations of the Bangko Sentral ng Pilipinas (BSP);"

In the case of *Commissioner of Internal Revenue vs. Burmeister and Wain Scandinavian Contractor Mindanao, Inc.*[60], the Supreme Court held that in order for the supply of services to be VAT zero-rated under Section 108(B)(2) of the NIRC of 1997, as amended, the following requisites must be met:

1. the services must be other than processing, manufacturing or repacking of goods;
2. the recipient of such services is doing business outside the Philippines; and
3. payment for such services must be in acceptable foreign currency accounted for in accordance with the BSP rules and regulations.

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[60] G.R. No. 153205, January 22, 2007.

It is undisputed that petitioner is registered with the BIR as a VAT taxpayer and was issued a Certificate of Registration with Taxpayer's Identification No. 201-056-391-000.[61] Petitioner is also licensed by the Securities and Exchange Commission to transact business in the Philippines as ROHQ under SEC Registration No. A199802486 dated June 3, 1998[62], with purposes limited to general administration and planning; business planning and coordination; sourcing/procurement of raw materials and components; corporate finance advisory services; marketing control and sales promotion; training and personnel management; logistic services; research and development services and product development; technical support and maintenance; data processing and communication; and business development.[63] Such services are not in the same category as "processing, manufacturing or repacking of goods", thereby complying with the first requisite.

Anent the second requisite, petitioner presented the following documents showing its client-affiliates are non-resident foreign corporations doing business outside the Philippines:

1. Certification of Non-Registration of Company issued by the SEC;[64]
2. Articles/Certificate of Incorporation/Registration;[65]
3. Tax Residence Certificates;[66]
4. Screenshots of Chevron Subsidiary Governance Website;[67] and
5. Service Agreements.[68]

However, each of the aforesaid documents, standing alone, is inadequate proof that petitioner's client is a non-resident foreign corporation doing business outside the Philippines.

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[61] Par. 4, Admitted Facts, JSFI, CTA Case No. 8790, Docket, vol. II, p. 1794; Exhibit "P-3", CTA Case No. 8790, Docket, vol. III, p. 2158.
[62] Par. 3, Admitted Facts, JSFI, CTA Case No. 8790, Docket, vol. II, p. 1794; Exhibit "P-1", Docket, CTA Case No. 8790, Docket, vol. III, p. 2129.
[63] Par. 5, Admitted Facts, JSFI, CTA Case No. 8790, Docket, vol. II, p. 1794; Exhibit "P-1", Docket, CTA Case No. 8790, Docket, vol. III, p. 2129.
[64] Exhibits "P-10.1" to "P-10.49", CTA Case No. 8790, Docket, vol. III, pp. 2205-2253.
[65] Exhibits "P-11.21" to "P-11.28", CTA Case No. 8790, Docket, vol. IV, pp. 3266-3340.
[66] Exhibits "P-12.1" to "P-12.16", CTA Case No. 8790, Docket, vol. III, pp. 2697-2735.
[67] Exhibits "P-14.1" to "P-14.49.1" and "P-15" to "P-15.7.1", CTA Case No. 8790, Docket, vol. III, pp. 2739-2797.
[68] Exhibits "P-16.1" to "P-16.19"; CTA Case No. 8790, Docket, vol. III – IV, pp. 2798-3115; Exhibit P-16.20 to P-16.22, Annex A-4, separate folders.

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While the SEC Certificates of Non-Registration of Company show that the named entities are not registered corporations or partnerships in the Philippines, the same do not prove that such entities are non-resident foreign corporations doing business outside the Philippines.

The same holds true with the Articles/Certificates of Incorporation/Registration and the Tax Residence Certificates which only prove that therein named entities were incorporated/organized abroad. However, these documents do not necessarily establish that such entities are not doing business in the Philippines.

Likewise, the Service Agreements only indicate the names and addresses of petitioner's customers to whom it renders services but they do not establish that such customers are non-resident foreign corporations doing business outside the Philippines.

In the case of *Sitel Philippines Corporation (formerly Clientlogic Phils., Inc.) vs. Commissioner of Internal Revenue*[69], the Supreme Court held that while Sitel's documentary evidence, which included Certifications issued by the Securities and Exchange Commission and Agreements between Sitel and its foreign clients, may have established that Sitel rendered services to foreign corporations and received payment therefor through inward remittances, said documents failed to specifically prove that such foreign clients were doing business outside the Philippines or have a continuity of commercial dealings outside the Philippines.

Therefore, in order to be considered as non-resident foreign corporation doing business outside the Philippines, each entity must be supported, at the very least, by **both** SEC Certificate of Non-Registration **and** proof of incorporation/registration in a foreign country (*e.g.*, Articles/Certificate of Incorporation/Registration and/or Tax Residence Certificate) and that there is no other indication which would disqualify said entity in being classified as a non-resident foreign corporation.

In this regard, the Court cannot give credence or probative value to the printed screenshots of Chevron Subsidiary Governance

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[69] G.R. No. 201326, February 8, 2017.

Website[70] as the information contained therein were retrieved from the database made and maintained by petitioner's group of companies. Thus, the said documents are self-serving and can be easily manipulated to favor petitioner in view of its affinity with the entities that maintain or keep the said database.

As a result, only the following clients of petitioner for the second quarter of CY 2012 shall be considered as non-resident foreign corporations doing business outside the Philippines:

Client	SEC Certificate of Non-Registration of Company	Articles/ Certificate of Incorporation/ Registration	Tax Residence Certificate
Chevron Australia Pty Ltd	"P-10.5"	"P-11.27"	"P-12.15"
Chevron Canada Ltd	"P-10.10"	-	"P-12.5"
Chevron China Energy Co.	"P-10.11"	-	"P-12.1"
Chevron Corporation	"P-10.12"	"P-11.22"	"P-12.2"
Chevron International Pte Ltd	"P-10.18"	"P-11.25"	-
Chevron Malaysia Limited	"P-10.27"	-	"P-12.16"
Chevron New Zealand	"P-10.31"	"P-11.26"	"P-12.10"
Chevron North Sea Ltd	"P-10.32"	"P-11.23"	"P-12.6"
Chevron Products UK Limited	"P-10.39"	-	"P-12.12"
Chevron South Africa (Pty) Ltd	"P-10.42"	-	"P-12.8"
Chevron Thailand Limited	"P-10.44"	"P-11.28"	"P-12.11"
Chevron USA Singapore Branch	"P-10.47"	"P-11.24"	-

On the other hand, the following entities are disqualified as non-resident foreign corporations doing business outside the Philippines; hence, petitioner's sales/receipts derived from services rendered thereto shall be denied of VAT zero-rating, to wit:

Client	SEC Certificate of Non-Registration of Company	Articles/ Certificate of Incorporation/ Registration	Tax Residence Certificate	Screenshot of Chevron Subsidiary Governance Website
Chevron Alkhalij	"P-10.2"[71]	-	-	"P-14.2"[72]
Chevron Asia Pacific EP Company	"P-10.3"	-	-	"P-14.3"
Chevron Asia South Limited	"P-10.4"	-	-	"P-14.4"
Chevron Bangladesh	"P-10.6"	-	-	"P-14.6"

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[70] Exhibits "P-14.1" to "P-14.49.1" and "P-15" to "P-15.7.1", Docket, vol. III, pp. 2739-2797.
[71] The name of the entity per SEC Certification is "Chevron Al Khalij A Branch of Chevron Asia Pacific Holdings Limited".
[72] The name of the entity per the printed screenshot is "Chevron Asia Pacific Holdings Limited".

Chevron Business and Real Estate Service	"P-10.7"	-	-	"P-14.7"
Chevron Caltex Services Corporation	"P-10.9"	-	-	-
Chevron Energy Technology Co	"P-10.13"	-	-	"P-14.13"
Chevron Global Downstream	"P-10.14"	-	-	-
Chevron Hong Kong Ltd.	"P-10.16"	-	-	"P-14.16"
Chevron International Limited	"P-10.17"	-	-	"P-14.17"
Chevron Information Technology Co.	"P-10.20"	-	-	"P-14.20"
Chevron Int'l Exploration Production	"P-10.22"	-	-	"P-14.22"
Chevron Kuo Pte Ltd	"P-10.23"	-	-	"P-14.23"
Chevron Lubricant/EFCA	"P-10.24"	-	-	-
Chevron Lubricant Oils	"P-10.26"	-	-	"P-14.26"
Chevron NA Exploration Production Co	"P-10.28"	-	-	"P-14.28"
Chevron Neftegaz Inc.	"P-10.29"	-	-	"P-14.29"
Chevron Oronite Company LLC	"P-10.34"	-	-	"P-14.33", "P-15.3"
Chevron Oronite Pte Ltd	"P-10.35"	-	-	"P-14.34", "P-15.4"
Chevron Petroleum Company	"P-10.36"	-	-	"P-14.35", "P-15.5"
Productos Chevron Mexico	"P-10.37"	-	-	"P-14.36"
Chevron Products Company	"P-10.38"	-	-	"P-14.37"
Chevron Services Company	"P-10.40"	-	-	"P-14.39"
Chevron Singapore Pte Ltd	"P-10.41"	-	-	"P-14.40"
Chevron Texaco China Energy Co	"P-10.43"	-	-	"P-14.42"[73]
Chevron Trading Ltd Pte	"P-10.45"	-	-	"P-14.45"
CUSA Global Lubricants Asia Pacific	"P-10.48"	-	-	-
UNOCAL East China Sea Ltd	"P-10.49"	-	-	"P-14.49"
Chevron Pakistan Limited	-	-	-	-
Chevron Texaco Malampaya LLC	-	-	-	-

Accordingly, petitioner's declared zero-rated sales/receipts for the second quarter of CY 2012 in the amount of ₱762,320,083.93 should be reduced by ₱509,009,470.33, broken down as follows:

Exhibit	**Client**	**OR No.**	**Date**	**Amount in US$**	**Amount in PhP**
"P-33.44"	Chevron Alkhalij	3448	13-Apr-12	$ 31,011.65	₱ 1,323,587.28
"P-33.45"	Chevron Products Company	3449	17-Apr-12	599,696.04	25,508,125.90
"P-33.48"	Chevron Information Technology Co.	3452	25-Apr-12	2,259,066.71	96,541,312.39
"P-33.54"	Chevron International Exploration Production	3458	25-Apr-12	87,882.03	3,755,642.31
"P-33.56"	Chevron Products Company	3460	25-Apr-12	73,318.78	3,133,281.20
"P-33.57"	Chevron Trading Ltd Pte	3461	25-Apr-12	41,288.19	1,764,452.56
"P-33.58"	Chevron Business Real Estate Service	3462	25-Apr-12	26,988.88	1,153,370.94
"P-33.59"	Chevron International Limited	3463	25-Apr-12	26,696.39	1,140,871.37

[73] The name of the entity per the printed screenshot is "PT Chevron Oil Products Indonesia".

"P-33.60"	Chevron Energy Technology Co	3464	25-Apr-12	25,107.51	1,072,970.51
"P-33.61"	Chevron Hong Kong Ltd.	3465	25-Apr-12	23,609.90	1,008,970.09
"P-33.62"	Chevron Oronite Company LLC	3466	25-Apr-12	23,225.69	992,550.85
"P-33.63"	Chevron Global Downstream	3467	25-Apr-12	21,884.48	935,234.19
"P-33.64"	Chevron Kuo Pte Ltd	3468	25-Apr-12	21,461.33	917,150.85
"P-33.65"	CUSA Global Lubricants Asia Pacific	3469	25-Apr-12	7,779.42	332,453.85
"P-33.67"	Chevron Texaco China Energy Co	3471	25-Apr-12	2,309.01	98,675.64
"P-33.68"	Chevron Asia South Limited	3472	25-Apr-12	1,498.70	64,047.01
"P-33.69"	Chevron Texaco Malampaya LLC	3473	25-Apr-12	1,259.73	53,834.62
"P-33.71"	Chevron Asia Pacific EP Company	3475	25-Apr-12	245.95	10,510.68
"P-33.72"	Chevron NA Exploration Production Co	3476	25-Apr-12	14.52	620.51
"P-33.73"	Chevron Services Company	3477	25-Apr-12	1,437,282.45	61,396,089.28
"P-33.76"	Chevron Caltex Services Corporation	3480	26-Apr-12	23,594.00	1,007,859.89
"P-33.77"	Chevron Neftegaz Inc.	3481	26-Apr-12	10,261.85	438,353.27
"P-33.78"	Chevron Oronite Pte Ltd	3482	26-Apr-12	6,667.83	284,828.28
"P-33.79"	Chevron Lubricant Oils SA	3483	26-Apr-12	979.78	41,853.05
"P-33.80"	Chevron Bangladesh	3484	26-Apr-12	7.49	319.95
"P-33.83"	Chevron Lubricant/EFCA	3487	27-Apr-12	8,168.81	347,756.92
"P-33.84"	UNOCAL East China Sea Ltd	3488	27-Apr-12	807.37	34,370.80
"P-33.85"	Chevron Products Company	3489	17-May-12	589,662.71	25,156,258.96
"P-33.86"	Chevron Information Technology Co.	3490	25-May-12	2,215,901.02	96,385,429.32
"P-33.90"	Chevron Singapore Pte Ltd	3494	25-May-12	131,875.14	5,736,195.74
"P-33.92"	Chevron Hong Kong Ltd.	3496	25-May-12	113,363.77	4,931,003.48
"P-33.93"	Chevron Energy Technology Co	3497	25-May-12	30,846.47	1,341,734.23
"P-33.94"	Chevron Neftegaz Inc.	3498	25-May-12	10,261.85	446,361.46
"P-33.95"	Chevron Petroleum Company	3499	25-May-12	3,654.50	158,960.42
"P-33.97"	Chevron Oronite Pte Ltd	3501	29-May-12	1,579.88	69,080.89
"P-33.98"	Chevron Services Company	3502	31-May-12	1,423,337.80	61,643,040.28
"P-33.100"	Productos Chevron Mexico	3504	04-Jun-12	1,827.26	79,308.16
"P-33.101"	Chevron Lubricant Oils SA	3505	05-Jun-12	244.94	10,644.94
"P-33.102"	Chevron Products Company	3506	6--18-12	578,973.89	24,553,600.08
"P-33.103"	Chevron Pakistan Limited	3507	19-Jun-12	28,997.17	1,224,542.65
"P-33.105"	Chevron Information Technology Co.	3509	25-Jun-12	2,031,125.92	8,132,656.75
"P-33.106"	Chevron Services Company	3510	25-Jun-12	1,412,019.67	6,039,017.42
"P-33.115"	Chevron Products Company	3519	25-Jun-12	99,249.77	4,495,476.64
"P-33.116"	Chevron Neftegaz Inc.	3520	25-Jun-12	10,261.85	4,216,217.93
"P-33.117"	Chevron Kuo Pte Ltd	3521	25-Jun-12	8,811.20	59,983,843.25
"P-33.119"	Chevron Bangladesh	3523	27-Jun-12	6,637.13	283,033.26
"P-33.120"	Chevron Lubricant/EFCA	3524	28-Jun-12	17,991.50	763,970.28
Total				**$13,478,737.93**	**₱509,009,470.33**

In relation to the third requisite, Sections 113(A)(2), (B)(1), (2)(c) and (3) of the NIRC of 1997, as amended, as implemented by Sections 4.113-1(A)(2), (B)(1) and (2)(c) of Revenue Regulations (RR) No. 16-05, provide that a VAT taxpayer, like herein petitioner, shall, for every lease of goods or properties and for every sale, barter or exchange of services, issue a VAT official receipt which must contain the following information:

"SEC. 113. *Invoicing and Accounting Requirements for VAT-Registered Persons.* –

(A) *Invoicing Requirements.* – A VAT-registered person shall issue:

xxx xxx xxx

(2) A **VAT official receipt** for every lease of goods or properties, and **for every sale, barter or exchange of services**.

(B) *Information Contained in the VAT Invoice or VAT Official Receipt.* – The following information shall be indicated in the VAT invoice or VAT official receipt:

(1) A statement that the seller is a VAT-registered person, followed by his Taxpayer's Identification Number (TIN);

(2) The total amount which the purchaser pays or is obligated to pay to the seller with the indication that such amount includes the value-added tax: *Provided*, that:

xxx xxx xxx

(c) If the sale is subject to zero percent (0%) value-added tax, the term **'zero-rated sale'** shall be written or printed prominently on the invoice or receipt;

xxx xxx xxx

(3) The date of transaction, quantity, unit cost and description of the goods or properties or nature of the service;" *(Emphasis supplied)*

"SEC. 4.113-1. *Invoicing Requirements.* –

(A) ***A VAT-registered person shall issue:*** –

xxx xxx xxx

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(2) A **VAT official receipt** for every lease of goods or properties, and for every sale, barter or exchange of services.

Only VAT-registered persons are required to print their **TIN followed by the word 'VAT' in their invoice** or official receipts. Said documents shall be considered as a 'VAT Invoice' or VAT official receipt. All purchases covered by invoices/receipts other than VAT Invoice/VAT Official Receipt shall not give rise to any input tax.

VAT invoice/official receipt shall be prepared at least in duplicate, the original to be given to the buyer and the duplicate to be retained by the seller as part of his accounting records.

(B) ***Information contained in VAT invoice or VAT official receipt.*** – The following information shall be indicated in VAT invoice or VAT official receipt:

(1) A statement that the seller is a VAT-registered person, followed by his TIN;

(2) The total amount which the purchaser pays or is obligated to pay to the seller with the indication that such amount includes the VAT; *Provided*, That:

xxx xxx xxx

(c) If the sale is subject to zero percent (0%) VAT, the term **'zero-rated sale'** shall be written or printed prominently on the invoice or receipt;" *(Emphasis supplied)*

Pursuant to the foregoing provisions, the foreign currency remittances referred to under Section 108(B)(2) of the NIRC of 1997, as amended, must likewise be supported by VAT zero-rated official receipts.

To prove that petitioner rendered services to its foreign affiliates and was paid in foreign currency duly accounted for in accordance with the rules and regulations of the BSP for the second quarter of CY 2012, petitioner submitted documents such as Zero-rated Official Receipts[74], Summary of Export Sales[75], Certificate of Inward Remittance[76], Tie-up of Collection Summary vs. per Inward Remittances and Bank Statements, and the report of the Court-commissioned Independent Certified Public Account.[77]

Upon examination of the foregoing pieces of evidence, the Court noted that O.R. No. 3474[78] under the name of Chevron Texaco China Energy Co. per schedule of export sales, actually pertain to PT Chevron Oil Products Indonesia as evidenced by the supporting official receipt and Bank Statement[79]. Since petitioner did not provide documents to prove that PT Chevron Oil Products Indonesia is a non-resident foreign corporation doing business outside the Philippines, the related sales/receipts thereto in the amount of $367.40 (₱15,700.85) shall also be denied of VAT zero-rating.

The rest of petitioner's declared zero-rated sales/receipts in the amount of $4,317,677.89, with peso equivalent of ₱253,294,912.75[80], qualify for VAT zero-rating under Section 108(B)(2) of the NIRC of 1997, as amended:

Exhibit	Client	OR No.	Date	Amount in US$	Amount in PhP
"P-33.46"	Chevron China Enery Co.	3450	23-Apr-12	$ 11,462.56	₱ 488,391.99
"P-33.47"	Chevron South Africa (Pty) Ltd	3451	24-Apr-12	121,269.44	5,153,822.35
"P-33.49"	Chevron Australia Pty Ltd	3453	25-Apr-12	182,671.35	7,806,467.95
"P-33.50"	Chevron Australia Pty Ltd	3454	25-Apr-12	177,779.65	7,597,420.94
"P-33.51"	Chevron Malaysia Limited	3455	25-Apr-12	150,909.30	6,449,115.38
"P-33.52"	Chevron Thailand Limited	3456	25-Apr-12	94,247.86	4,027,686.32
"P-33.53"	Chevron USA Singapore Branch	3457	25-Apr-12	92,765.09	3,964,320.09
"P-33.55"	Chevron International Pte Ltd	3459	25-Apr-12	76,568.75	3,272,168.80
"P-33.66"	Chevron Canada Ltd	3470	25-Apr-12	3,699.67	158,105.56

[74] Exhibits "P-33.44" to "P-33-120".
[75] Exhibit "P-35.2".
[76] Exhibit "P-18.1", Docket, vol. IV, p. 3401.
[77] Exhibit "P-29".
[78] Exhibit "P-33.70".
[79] Exhibit "P-18.2", p. 36.
[80]

Total Zero-rated Sales declared per return	₱ 762,320,083.93
Less: Receipts from entities not qualified as non-resident foreign corporation not doing business in the Philippines	509,009,470.33
Receipts from PT Chevron Oil Products Indonesia	15,700.85
Valid Zero-rated Sales for the Second Quarter of CY 2012	**₱ 253,294,912.75**

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"P-33.74"	Chevron North Sea Ltd	3478	26-Apr-12	290,619.30	12,414,322.94
"P-33.75"	Chevron Products UK Limited	3479	26-Apr-12	70,550.54	3,013,692.44
"P-33.81"	Chevron Corporation	3485	26-Apr-12	246,037.87	10,509,947.46
"P-33.82"	Chevron New Zealand	3486	26-Apr-12	73,565.65	3,131,785.87
"P-33.87"	Chevron New Zealand	3491	25-May-12	275,146.40	11,968,090.47
"P-33.88"	Chevron International Pte Ltd	3492	25-May-12	184,201.58	8,012,247.93
"P-33.89"	Chevron Australia Pty Ltd	3493	25-May-12	182,671.35	7,945,687.26
"P-33.91"	Chevron Thailand Limited	3495	25-May-12	123,031.63	5,351,528.06
"P-33.96"	Chevron USA Singapore Branch	3500	29-May-12	110,290.70	4,821,193.70
"P-33.99"	Chevron Corporation	3503	01-Jun-12	224,338.33	9,753,840.43
"P-33.104"	Chevron South Africa (Pty) Ltd	3508	22-Jun-12	99,229.72	4,183,377.74
"P-33.107"	Chevron Corporation	3511	25-Jun-12	237,225.08	10,077,531.01
"P-33.108"	Chevron New Zealand	3512	25-Jun-12	203,593.59	86,284,023.79
"P-33.109"	Chevron North Sea Ltd	3513	25-Jun-12	193,746.20	7,145,505.95
"P-33.110"	Chevron Australia Pty Ltd	3514	25-Jun-12	191,442.74	374,307.56
"P-33.111"	Chevron International Pte Ltd	3515	25-Jun-12	168,205.21	6,088,583.69
"P-33.112"	Chevron Malaysia Limited	3516	25-Jun-12	143,325.26	435,932.56
"P-33.113"	Chevron Australia Pty Ltd	3517	25-Jun-12	142,158.47	8,648,835.60
"P-33.114"	Chevron USA Singapore Branch	3518	25-Jun-12	105,823.52	8,230,509.67
"P-33.118"	Chevron Products UK Limited	3522	26-Jun-12	141,101.08	5,986,469.24
Total				**$4,317,677.89**	**₱253,294,912.75**

Having resolved that petitioner had valid VAT zero-rated sales/receipts for the second quarter of CY 2012 in the amount of ₱253,294,912.75, the Court proceeds to determine whether petitioner incurred input taxes in connection thereto and if said input taxes were not applied against any output VAT liability of petitioner.

Petitioner incurred/paid input taxes attributable to zero-rated sales/receipts for the 2nd quarter of CY 2012 and said input taxes were not applied against any output VAT

In its Quarterly VAT Return[81] for the second quarter of CY 2012, petitioner reflected a total amount of ₱19,589,509.40 input VAT arising from domestic purchases and importation of goods and services, detailed as follows:

Particulars	Input VAT
Domestic Purchase of Capital Goods exceeding ₱1M	₱ 3,150,802.33
Domestic Purchase of Goods other than Capital Goods	596,986.60

[81] Exhibit "P-8.2".

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Importation of Goods other than Capital Goods	95,890.00
Domestic Purchase of Services	11,977,007.80
Services Rendered by Non-residents	3,768,822.67
Total	**₱ 19,589,509.40**

In support thereto, petitioner presented invoices, official receipts, import documents, BIR Forms No. 1600, and other documents[82] which were all examined by the ICPA. In her report, the total amount was accounted as follows:

Findings	Input VAT	Exhibit	Reference to ICPA Report
Domestic Purchases of Goods other than Capital Goods			
Properly Supported			
Supported by original copies of sales invoice showing all the information required under the Tax Code, as amended	₱ 297,645.50	P-42.1	Annex B-1
Supported by original copies of billing invoice showing all the information required under the Tax Code, as amended	658.93	P-42.1	Annex B-2
Supported by original copies of charge invoice showing all the information required under the Tax Code, as amended	82,427.69	P-42.1	Annex B-3
Supported by original copies of retail invoice showing all the information required under the Tax Code, as amended	2,669.28	P-42.1	Annex B-4
subtotal	383,401.40		
With Observation			
Supported by original copies of sales invoice dated outside the quarter of claim but within the period of claim	108,913.40	P-42.1	Annex B-5
Supported by original copy of charge invoice dated outside the quarter of claim but within the period of claim	16,607.14	P-42.1	Annex B-6
Supported by original copies of retail invoice dated outside the quarter of claim but within the period of claim	1,660.63	P-42.1	Annex B-7
subtotal	127,181.17		
With Exceptions			
Supported by original copy of billing statement invoice dated outside CY 2012	54,015.00	P-42.2	Annex B-9
Input VAT not verified	32,389.03	P-42.2	Annex B-12
Total	**₱ 596,986.60**		
Domestic Purchase of Services			
Properly Supported			
Supported by original copies of VAT ORs showing all the information required under the Tax Code, as amended	₱ 10,141,877.17	P-42.1	Annex C-1
With Observation			
Supported by certified true copies of VAT ORs showing all the information required under the Tax Code, as amended	1,120,115.65	P-42.1	Annex C-2
Supported by original copies of VAT ORs dated outside the quarter of claim but within the period of claim	488,672.82	P-42.1	Annex C-7

[82] Exhibits "P-42.1" to "P-42.2".

Findings	Input VAT	Exhibit	Reference to ICPA Report
Supported by original copies of VAT ORs dated ahead the quarter of claim but within the period of claim and where amount per OR differs from amount per schedule	62,281.52	P-42.1	Annex C-8
Supported by original copies of VAT ORs where amount per OR differs from amount per schedule	99,066.65	P-42.1	Annex C-9
subtotal	1,770,136.64		
With Exceptions			
Supported by original copies of VAT ORs where the amount of input VAT was not indicated	15,087.19	P-42.2	Annex C-11
Supported original copies of VAT ORs dated outside CY 2012	30,648.00	P-42.2	Annex C-12
Supported by original copy of sales invoice ahead the quarter of claim but within the period of claim	51.96	P-42.2	Annex C-16
Supported by original copies of Acknowledgement Receipt	112.07	P-42.2	Annex C-17
subtotal	45,899.22		
Input VAT not verified	19,094.77	P-42.2	Annex C-18
Total	**₱11,977,007.80**		
Services rendered by Non-residents			
Properly Supported			
Supported by BIR Form No. 1600 and proofs of payment	₱ 1,075,245.05	P-42.1	Annex D-1
With Observation			
Supported by BIR Form No. 1600 and proofs of payments where name of suppliers were not indicated in the face of the return	2,693,577.62	P-42.1	Annex D-2
Total	**₱ 3,768,822.67**		
Importation of Goods other than Capital Goods			
Properly Supported			
Supported by Import Entry and Internal Revenue Declarations (IEIRDs)	₱ 95,890.00	P-42.1	Annex E-1
Total	**₱ 95,890.00**		
Domestic Purchase of Capital Goods exceeding 1Million			
Properly Supported			
Supported by original copies of sales invoice showing all the information required under the Tax Code, as amended	₱ 204,165.82	P-42.1	Annex F-1
Supported by original copies of charge invoice showing all the information required under the Tax Code, as amended	122,142.86	P-42.1	Annex F-2
subtotal	326,308.68		
With Observation			
Supported by original copies of billing invoice ahead the quarter of claim but within the period of claim and where amount per invoice differs from amount per schedule	240.00	P-42.1	Annex F-4
Supported by original copies of billing invoice where amount per invoice differs from amount per schedule	360.00	P-42.1	Annex F-5
Supported by original copies of charge invoice dated ahead of the quarter of claim but within the period of claim	70,714.29	P-42.1	Annex F-6
Supported by original copies of sales invoice dated ahead the quarter of claim but within the period of claim	775,153.29	P-42.1	Annex F-7

Findings	Input VAT	Exhibit	Reference to ICPA Report
Represents capitalized purchases of services supported by original copies of VAT official receipts and photocopies of sales invoice	424,344.18	P-42.1	Annex F-9
Represents capitalized purchases of services supported by certified true copies of VAT official receipts and photocopies of sales invoice	604,117.11	P-42.1	Annex F-10
Represents capitalized purchases of services supported by certified true copies of VAT official receipts and photocopies of sales invoice dated ahead the quarter of claim but within the period of claim	755,146.39	P-42.1	Annex F-11
Represents capitalized purchases of services supported by original copies of VAT official receipts showing all the information required under the Tax Code, as amended	194,418.39	P-42.1	Annex F-13
subtotal	2,824,493.65		
Total	**₱ 3,150,802.33**		
GRAND TOTAL	**₱19,589,509.40**		

The Court agrees with the above findings. The input VAT in the amount of ₱1,675,641.11 shall be disallowed from petitioner's claim for non-compliance with the substantiation requirements under Sections 110(A) and 113(A) and (B) of the NIRC of 1997, as amended, in relation to Sections 4.110-1, 4.110-8, and 4.113-1 of RR No. 16-05, as amended, to wit:

Findings	Input VAT	Exhibit	Reference to ICPA Report
Domestic Purchases of Goods other than Capital Goods			
For being dated outside the second quarter of CY 2012			
Supported by original copies of sales invoice dated outside the quarter of claim but within the period of claim	₱ 108,913.40	P-42.1	Annex B-5
Supported by original copy of charge invoice dated outside the quarter of claim but within the period of claim	16,607.14	P-42.1	Annex B-6
Supported by original copies of retail invoice dated outside the quarter of claim but within the period of claim	1,660.63	P-42.1	Annex B-7
Supported by original copy of billing statement invoice dated outside CY 2012	54,015.00	P-42.2	Annex B-9
Without supporting documents (Input VAT not verified)	32,389.03	P-42.2	Annex B-12
Total	**₱ 213,585.20**		
Domestic Purchase of Services			
For being dated outside the second quarter of CY 2012			
Supported by original copies of VAT ORs dated outside the quarter of claim but within the period of claim	₱ 488,672.82	P-42.1	Annex C-7
Supported by original copies of VAT ORs dated ahead the quarter of claim but within the period of claim and where	62,281.52	P-42.1	Annex C-8

Findings	Input VAT	Exhibit	Reference to ICPA Report
Represents capitalized purchases of services supported by original copies of VAT official receipts and photocopies of sales invoice	424,344.18	P-42.1	Annex F-9
Represents capitalized purchases of services supported by certified true copies of VAT official receipts and photocopies of sales invoice	604,117.11	P-42.1	Annex F-10
Represents capitalized purchases of services supported by certified true copies of VAT official receipts and photocopies of sales invoice dated ahead the quarter of claim but within the period of claim	755,146.39	P-42.1	Annex F-11
Represents capitalized purchases of services supported by original copies of VAT official receipts showing all the information required under the Tax Code, as amended	194,418.39	P-42.1	Annex F-13
subtotal	2,824,493.65		
Total	**₱ 3,150,802.33**		
GRAND TOTAL	**₱19,589,509.40**		

The Court agrees with the above findings. The input VAT in the amount of ₱1,675,641.11 shall be disallowed from petitioner's claim for non-compliance with the substantiation requirements under Sections 110(A) and 113(A) and (B) of the NIRC of 1997, as amended, in relation to Sections 4.110-1, 4.110-8, and 4.113-1 of RR No. 16-05, as amended, to wit:

Findings	Input VAT	Exhibit	Reference to ICPA Report
Domestic Purchases of Goods other than Capital Goods			
For being dated outside the second quarter of CY 2012			
Supported by original copies of sales invoice dated outside the quarter of claim but within the period of claim	₱ 108,913.40	P-42.1	Annex B-5
Supported by original copy of charge invoice dated outside the quarter of claim but within the period of claim	16,607.14	P-42.1	Annex B-6
Supported by original copies of retail invoice dated outside the quarter of claim but within the period of claim	1,660.63	P-42.1	Annex B-7
Supported by original copy of billing statement invoice dated outside CY 2012	54,015.00	P-42.2	Annex B-9
Without supporting documents (Input VAT not verified)	32,389.03	P-42.2	Annex B-12
Total	**₱ 213,585.20**		
Domestic Purchase of Services			
For being dated outside the second quarter of CY 2012			
Supported by original copies of VAT ORs dated outside the quarter of claim but within the period of claim	₱ 488,672.82	P-42.1	Annex C-7
Supported by original copies of VAT ORs dated ahead the quarter of claim but within the period of claim and where	62,281.52	P-42.1	Annex C-8

Findings	**Input VAT**	**Exhibit**	**Reference to ICPA Report**
amount per OR differs from amount per schedule			
Supported original copies of VAT ORs dated outside CY2012	30,648.00	P-42.2	Annex C-12
Supported by original copy of sales invoice ahead the quarter of claim but within the period of claim	51.96	P-42.2	Annex C-16
Where the amount of VAT is not separately indicated			
Supported by original copies of VAT ORs where the amount of input VAT was not indicated	15,087.19	P-42.2	Annex C-11
For being supported by document other than Official Receipt			
Supported by original copies of Acknowledgement Receipt	112.07	P-42.2	Annex C-17
Without supporting documents (Input VAT not verified)	19,094.77	P-42.2	Annex C-18
Total	**₱ 615,948.33**		
Domestic Purchase of Capital Goods exceeding 1Million			
For being dated outside the second quarter of CY 2012			
Supported by original copies of billing invoice ahead the quarter of claim but within the period of claim and where amount per invoice differs from amount per schedule	₱ 240.00	P-42.1	Annex F-4
Supported by original copies of charge invoice dated ahead of the quarter of claim but within the period of claim	70,714.29	P-42.1	Annex F-6
Supported by original copies of sales invoice dated ahead the quarter of claim but within the period of claim	775,153.29	P-42.1	Annex F-7
Total	**₱ 846,107.58**		
GRAND TOTAL	**₱1,675,641.11**		

In addition, petitioner's input VAT claim should be further decreased by ₱1,227,779.71, detailed below, for failure to meet the substantiation requirements prescribed under the afore-mentioned VAT law and regulations:

Supplier	**O.R. No. / AWB/BL No.**	**Date**	**Input Tax**	**Reference**
Domestic Purchase of Services				
Dated outside the second quarter of CY 2012				
Jollibee Foods Corporation	0013695	31-Jan-12	₱ 2,919.01	Exhibit P-42.1, Annex C-1, p.294
Manabat Delgado Amper and Co.	14888	09-Jul-12	62,100.00	Exhibit P-42.1, Annex C-1, p.298
Maxicare Healthcare Corp.	0144565	25-Jul-12	669,528.46	Exhibit P-42.1, Annex C-1, p. 302

Supplier	O.R. No. / AWB/BL No.	Date	Input Tax	Reference
One Sky Trading & Construction	0022	14-Mar-12	27,360.00	Exhibit P-42.1, Annex C-1, p. 320
Amount of Input VAT is not separately indicated				
One Sky Trading & Construction	0019	18-Apr-12	369,982.24	Exhibit P-42.1, Annex C-2, p.2
Subtotal			*₱ 1,131,889.71*	
Importation of Goods other than Capital Goods				
Supported by IEIRD without machine-validation as required by Section 4.110-8 of R.R. No. 16-05				
OC Tanner	P03C041491	18-Apr-12	₱ 20,008.00	Exhibit P-42.1, Annex E-1, p.12-13
OC Tanner	P03C047117	22-Apr-12	40,578.00	Exhibit P-42.1, Annex E-1, p.14-15
Supported by IEIRD without machine-validation as required by Section 4.110-8 of R.R. No. 16-05 and dated outside the second quarter of CY 2012				
Flextronics Mfg.	P03C001532	12-Mar-12	11,841.00	Exhibit P-42.1, Annex E-1, p.9
OC Tanner	P03C020132	02-Mar-12	23,463.00	Exhibit P-42.1, Annex E-1, p.10-11
Subtotal			*₱ 95,890.00*	
Total			**₱1,227,779.71**	

Hence, out of the ₱19,589,509.40 declared input VAT for the second quarter of CY 2012, only the amount of ₱16,686,088.58 is supported by proper documents, computed as follows:

	Domestic Purchase of Capital Goods exceeding ₱1M	Domestic Purchase of Goods other than Capital Goods	Importation of Goods other than Capital Goods	Domestic Purchase of Services	Services Rendered by Non-Residents	Total
Amount declared per Quarterly VAT Return	₱3,150,802.33	₱596,986.60	₱ 95,890.00	₱11,977,007.80	₱3,768,822.67	₱ 19,589,509.40
Less: Disallowances						
Per ICPA Report	846,107.58	213,585.20	-	615,948.33	-	1,675,641.11
Per this Court's further verification	-	-	95,890.00	1,131,889.71	-	1,227,779.71
Input VAT validly substantiated by documents	₱2,304,694.75	₱383,401.40	-	₱10,229,169.76	₱3,768,822.67	**₱16,686,088.58**

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Pursuant to Section 110(A)(2) of the NIRC of 1997, as amended, the input VAT on purchases of capital goods exceeding ₱1Million should be spread over 60 months or the estimated useful life of the capital goods, whichever is shorter. Only the input VAT allowable for the second quarter of CY 2012 can be claimed by petitioner. Hence, out of the ₱2,304,694.75 input VAT related to purchases of capital goods exceeding ₱1Million, only the amount of ₱98,093.72 is creditable for the said quarter, computed as follows:

Supplier	**Month Acquired**	**Input VAT**	**Monthly Input Tax Credit**[83]	**Allowable Input Tax for the Second Quarter of CY 2012**
Annex F-1				
Integrated Computer Systems, Inc.	April	₱ 15,428.57	₱ 257.14	₱ 771.43
One Sky Trading & Construction	April	76,054.25	1,267.57	3,802.71
Phil-Data Business Systems, Inc.	April	112,683.00	1,878.05	5,634.15
Annex F-2				
Microdata Systems and Management, Inc.	April	122,142.86	2,035.71	6,107.14
Annex F-5				
Planton Martinex Flores San Pedro and Leano Law Offices	April	360.00	6.00	18.00
Annex F-9				
One Sky Trading & Construction	May	424,344.18	7,072.40	14,144.81
Annex F-10				
One Sky Trading & Construction	May	604,117.11	10,068.62	20,137.24
Annex F-11				
One Sky Trading & Construction	April	755,146.39	12,585.77	37,757.32
Annex F-13				
E.E. Black Limited	April	194,418.39	3,240.31	9,720.92
Total		**₱2,304,694.75**	**₱38,411.58**	**₱98,093.72**

In sum, petitioner's creditable substantiated input VAT amounts only to ₱14,479,487.55, as computed below:

Particulars	**Input VAT**
Amortized Input VAT on Domestic Purchase of Capital Goods exceeding ₱1Million	₱ 98,093.72
Domestic Purchase of Goods other than Capital Goods	383,401.40
Domestic Purchase of Services	10,229,169.76

[83] Useful life is based on CAPEX Amortization Schedule (Exhibit "P-43").

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Services Rendered by Non-residents	3,768,822.67
Total	**₱ 14,479,487.55**

Since petitioner did not submit VAT invoices/receipts proving the existence of its reported input VAT carry-over from previous quarter in the amount of ₱154,534,947.94[84], its output VAT liability for the second quarter of CY 2012 in the amount of ₱3,023,241.48 shall be offset against the valid input VAT of ₱14,479,487.55, resulting in an excess input VAT of ₱11,456,246.07, computed as follows:

	2nd Quarter of CY 2012
Substantiated Input VAT	₱ 14,479,487.55
Less: Output Tax Due	3,023,241.48
Excess Input VAT	**₱11,456,246.07**

The total excess input VAT of ₱11,456,246.07 can be attributed to the entire zero-rated receipts declared by petitioner in the amount of ₱762,320,083.93; however, only the input VAT of ₱3,806,549.13 is attributable to the valid zero-rated receipts of ₱253,294,912.75, computed as follows:

Excess Input VAT	₱ 11,456,246.07
Multiply by Valid Zero-Rated Sales/Receipts	x 253,294,912.75
Divide by Total Declared Zero-Rated Sales/Receipts	÷ 762,320,083.93
Input VAT Attributable to Valid Zero-Rated Sales/Receipts	**₱ 3,806,549.13**

Even though the claimed input VAT was carried over by petitioner in its succeeding Quarterly VAT Returns[85], the same remained unutilized until it was deducted as "VAT Refund/TCC Claimed"[86] in its Quarterly VAT Return for the fourth quarter of CY 2013. Thus, the excess input VAT of ₱194,440,615.18[87] as of the end of the fourth quarter of CY 2013 which was to be carried over to the succeeding first quarter of CY 2014[88] no longer included the subject claim.

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[84] Line 20A of Quarterly VAT Return for the First Quarter of CY 2012, Exhibit "P-8.3".
[85] Exhibits "P-8.4" (3rd Qtr of CY 2012), "P-8.5" (4th Qtr of CY 2012), "P-48.1" (1st Qtr of CY 2013), "P-48.2" (2nd Qtr of CY 2013), "P-48.3" (3rd Qtr of CY 2013), and "P-48.4" (4th Qtr of CY 2013).
[86] Exhibit "P-48.4" (4th Qtr of CY 2013), Line 23D.
[87] Exhibit "P-48.4" (4th Qtr of CY 2013), Line 29.
[88] Exhibit "P-49.1".

In fine, petitioner has sufficiently proven its entitlement to a refund or issuance of TCC in the reduced amount of ₱3,806,549.13, representing its excess and unutilized input VAT attributable to its zero-rated sales for the second quarter of CY 2012.

WHEREFORE, premises considered, the Petition for Review in CTA Case No. 8790 is **DENIED** for lack of jurisdiction, while the Petition for Review in CTA Case No. 8835 is **PARTIALLY GRANTED**. Accordingly, respondent is **ORDERED TO REFUND** or **TO ISSUE A TAX CREDIT CERTIFICATE** in favor of petitioner in the amount of **₱3,806,549.13** representing petitioner's excess and unutilized input VAT attributable to its zero-rated sales for the second quarter of CY 2012.

SO ORDERED.

Cielito N. Mindaro-Grulla
CIELITO N. MINDARO-GRULLA
Associate Justice

WE CONCUR:

ROMAN G. DEL ROSARIO
Presiding Justice

ERLINDA P. UY
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's Division.

ROMAN G. DEL ROSARIO
Presiding Justice
Chairperson, 1st Division