REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

EN BANC

COMMISSIONER OF INTERNAL REVENUE,
Petitioner,

-versus-

PPD PHARMACEUTICAL DEVELOPMENT PHILIPPINES CORP.,
Respondent.

CTA *EB* NO. 2774
(CTA Case No. 10132)

Members:

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

Promulgated: JAN 15 2025 2:30 pm

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RESOLUTION

CUI-DAVID, J.:

For resolution are:

1. Petitioner's *Motion for Reconsideration (of the Decision dated June 28, 2024,* posted on July 19, 2024, with respondent's *Motion to Expunge Petitioner's Reconsideration with Comment/Opposition* filed on August 9, 2024; and

2. Petitioner's *Motion to Admit Motion for Reconsideration (Motion for Reconsideration of the Decision dated 28 June 2024) (with Profuse Apologies)* filed on August 22, 2024.

At the outset, the Court notes that petitioner's *Motion for Reconsideration (of the Decision dated June 28, 2024)* bears no signature of Atty. Francis Gideon G. Naputo, petitioner's counsel, in violation of Section 3, Rule 7 of the Revised Rules of Court, as amended by Administrative Matter (AM) No. 19-10-20-SC effective May 1, 2020, which provides:

> SEC. 3. *Signature and address.* — (a) Every pleading and other written submissions to the court must be signed by the party or counsel representing him or her.
>
> (b) The signature of counsel constitutes a certificate by him or her that he or she has read the pleading and document; that to the best of his or her knowledge, information, and belief, formed after an inquiry reasonable under the circumstances:
>
> (1) It is not being presented for any improper purpose, such as to harass, cause unnecessary delay, or needlessly increase the cost of litigation;
>
> (2) The claims, defenses, and other legal contentions are warranted by existing law or jurisprudence, or by a non-frivolous argument for extending, modifying, or reversing existing jurisprudence;
>
> (3) The factual contentions have evidentiary support or, if specifically so identified, will likely have evidentiary support after availment of the modes of discovery under these rules; and
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> (4) The denials of factual contentions are warranted on the evidence or, if specifically so identified, are reasonably based on belief or a lack of information.
>
> (c) If the court determines, on motion or *motu proprio* and after notice and hearing, that this rule has been violated, it may impose an appropriate sanction or refer such violation to the proper office for disciplinary action, on any attorney, law firm, or party that violated the rule, or is responsible for the violation. Absent exceptional circumstances, a law firm shall be held jointly and severally liable for a violation committed by its partner, associate, or employee. The sanction may include, but not limited to, non-monetary directives or sanctions; an order to pay a penalty in court; or, if imposed on motion and warranted for effective deterrence, an order directing payment to the movant of part or all of the reasonable attorney's fees and other expenses directly resulting from the violation, including attorney's fees for the

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filing of motion for sanction. The lawyer or law firm cannot pass on the monetary penalty to the client.

The magnitude of the signature of counsel on each and every pleading filed before the Court, as well as the consequences of the failure to abide by this rule, is amplified in the said amendments.[1]

While the amendments in the Revised Rules of Court removed the proviso that "an unsigned pleading produces no legal effect," the Court emphasizes that a counsel's signature on a pleading is neither an empty formality nor even a mere means for identification.[2] The counsel's signature certifies that he or she has read the pleading, that there is evidence to support it, and that it is not interposed for delay.

Upon receipt of respondent's *Motion to Expunge Petitioner's Reconsideration with Comment/Opposition*, petitioner filed a *Motion to Admit Motion for Reconsideration (Motion for Reconsideration of the Decision dated 28 June 2024) (with Profuse Apologies)*, where Atty. Naputo submits that he had no intention of filing the pleading without his signature, and it is only the first time he has overlooked it. Petitioner's counsel implores the Court's liberality to accept his sincerest apology and to admit the attached *Motion for Reconsideration* with his signature.

The above explanation and apology may be deemed sufficient to make up for petitioner's counsel's lack of signature in the *Motion for Reconsideration,* but he is admonished to be prudent in preparing pleadings and that any similar violation of the rules will be dealt with more severely.

In the interest of justice, the Court **GRANTS** petitioner's *Motion to Admit Motion for Reconsideration (Motion for Reconsideration of the Decision dated 28 June 2024) (with Profuse Apologies).*

The Court now addresses the merits of petitioner's *Motion for Reconsideration.*

[1] *Spouses Mariano, et al. v. Atty. Abrajano, et al.*, A.C. No. 12690, April 26, 2021.
[2] *Intestate Estate of Uy v. Atty. Maghari III*, A.C. No. 10525, September 1, 2015.

Petitioner prays that the Decision dated June 28, 2024 (assailed Decision) be reconsidered and set aside. The assailed Decision disposed of the case as follows:

> **WHEREFORE**, the *Petition for Review* filed by the Commissioner of Internal Revenue is **DENIED** for lack of merit. Accordingly, the assailed Decision dated November 29, 2022, and the Resolution dated May 23, 2023, of the Court's First Division in CTA Case No. 10132 are **AFFIRMED.**
>
> **SO ORDERED.**

Petitioner argues that respondent is not entitled to its claim for refund as it failed to establish that its services to PPD Global Limited were rendered in the Philippines as the Affiliate Services Agreement dated April 13, 2016, with the Service Addendum executed by respondent and PPD Global Limited, does not indicate that the subject services were to be performed by respondent in the Philippines only. Also, the government is not estopped from the mistakes or errors of its agents, and, in actions for tax refund or credit, the law is construed not only in *strictissimi juris* against the taxpayer but also the pieces of evidence presented entitling a taxpayer to an exemption is *strictissimi* scrutinized and must be duly proven.

Respondent counters that petitioner's motion lacks any basis. Respondent echoes the finding of the Court in stating that it has proven the elements necessary to partially grant its claim for refund. Respondent argues that petitioner cannot raise new issues on appeal as it violates respondent's right to due process.

Petitioner's motion is denied.

The Court had already discussed petitioner's arguments in the assailed Decision and found them unmeritorious. It is superfluous to discuss again petitioner's arguments given the pronouncement of the Supreme Court in *Social Justice Society (SJS) Officers, et al. v. Lim*,[3] *viz.*:

> As succinctly put by then Chief Justice Andres R. Narvasa in *Ortigas and Co. Ltd. Partnership v. Judge Velasco* on the effect and disposition of a motion for reconsideration:

[3] G.R. No. 187836, March 10, 2015.

> The filing of a motion for reconsideration, authorized by Rule 52 of the Rules of Court, does not impose on the Court the obligation to deal individually and specifically with the grounds relied upon therefor, in much the same way that the Court does in its judgment or final order as regards the issues raised and submitted for decision. This would be a useless formality or ritual invariably involving merely a reiteration of the reasons already set forth in the judgment or final order for rejecting the arguments advanced by the movant; and it would be a needless act, too, with respect to issues raised for the first time, these being, as above stated, deemed waived because not asserted at the first opportunity. It suffices for the Court to deal generally and summarily with the motion for reconsideration, and merely state a legal ground for its denial (Sec. 14, Art. VIII, Constitution); *i.e.*, the motion contains merely a reiteration or rehash of arguments already submitted to and pronounced without merit by the Court in its judgment, or the basic issues have already been passed upon, or the motion discloses no substantial argument or cogent reason to warrant reconsideration or modification of the judgment or final order; or the arguments in the motion are too unsubstantial to require consideration, etc.

In fine, there being no new arguments raised in the instant motion, the Court finds no compelling reason to disturb the assailed Decision.

WHEREFORE, petitioner's *Motion for Reconsideration of the Decision dated 28 June 2024* is **DENIED** for lack of merit.

SO ORDERED.

LANEE S. CUI-DAVID
Associate Justice

WE CONCUR:

ROMAN G. DEL ROSARIO
Presiding Justice

MA. BELEN M. RINGPIS-LIBAN
Associate Justice

CATHERINE T. MANAHAN
Associate Justice

JEAN MARIE A. BACORRO-VILLENA
Associate Justice

ON LEAVE
MARIA ROWENA MODESTO-SAN PEDRO
Associate Justice

MARIAN IVY F. REYES-FAJARDO
Associate Justice

CORAZON G. FERRER-FLORES
Associate Justice

HENRY S. ANGELES
Associate Justice