CTA Form No. 8 (For DCC)

20-000257-0063

REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

SPECIAL FIRST DIVISION

CTA CASE NO. 10338

PRISTINE ENERGY TRANSFER CORPORATION,
Petitioner,

- versus -

NOTICE OF RESOLUTION

COMMISSIONER OF INTERNAL REVENUE,
Respondent.

To:

OFFICE OF THE SOLICITOR GENERAL
134 Amorsolo Street, Legazpi Village
Makati City

ATTY. FELY ROSE R. DAGANTA
Bureau of Internal Revenue - Revenue Region No. 8B
2/F, Legal Division, BIR Regional Office Bldg.
313 Sen. Gil Puyat Ave., Makati City

CARAG JAMORA SOMERA & VILLAREAL LAW OFFICES
4th Floor, G&A Building
2303 Don Chino Roces Avenue Extension
1231 Makati City

GREETINGS:

You are hereby notified by these presents that on **February 6, 2026,** a Resolution was rendered in the above-entitled case, copy of which is attached hereto.

Quezon City, Philippines, **February 9, 2026.**

Atty. Maria Johoanna F. Chan-Te
Executive Clerk of Court III

REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

SPECIAL FIRST DIVISION

PRISTINE ENERGY TRANSFER CORPORATION, Petitioner,	CTA CASE NO. **10338**
	Members:
- versus -	**BACORRO-VILLENA,** *Acting Chairperson, and* **CUI-DAVID,** ***JJ.***
COMMISSIONER OF INTERNAL REVENUE, Respondent.	Promulgated: FEB 06 2026; 11:10AM

x - x

RESOLUTION

BACORRO-VILLENA, J.:

For the Court's resolution is respondent Commissioner of Internal Revenue's (**respondent**'s/**CIR**'s) "Motion for Reconsideration (of the Decision dated 06 May 2025)" (**MR**) filed on 26 May 2025 *via* LBC and on 28 May 2025 *via* email, with petitioner Pristine Energy Transfer Corporation's (**petitioner**'s) "Comment/Opposition on/to Motion for Reconsideration" (**Comment**) filed on 09 June 2025 *via* LBC and on 11 August 2025 *via* email.

The MR seeks the cancellation of this Court's Decision dated 06 May 2025 (**assailed Decision**), which granted petitioner's Petition for Review filed on 26 August 2020. The dispositive portion of the assailed Decision reads, thus:

> ...
>
> **WHEREFORE**, with the foregoing premises, the Petition for Review filed by petitioner Pristine Energy Transfer Corporation on 26 August 2020 is hereby **GRANTED.** Accordingly, the deficiency Income Tax, Value-Added Tax, Expanded Withholding Tax, Withholding Tax on Compensation, Documentary Stamp Tax, and Compromise Penalty for the calendar year ended 31 December 2016, in the aggregate amount of ₱10,987,744.07, as found in the Formal Letter

of Demand with Details of Discrepancies and Assessment Notices, all dated 27 December 2019, are **CANCELLED** and **SET ASIDE**.

Consequently, respondent Commissioner of Internal Revenue or any person duly acting on his behalf is hereby **ENJOINED** and **PROHIBITED** from collecting the said amount against petitioner.

SO ORDERED.

...

In the MR, respondent foremost questions the efficacy of the Court's ruling, putting forward that that the Court lacks jurisdiction to rule over issues not raised by the parties (and, thus, lacks jurisdiction to entertain the same), and that it cannot consider pieces of evidence which the parties had not presented nor formally offered. Consequently, respondent avers that, by considering evidence not presented or formally offered, his or her due process rights were violated. On the other hand, respondent adds that petitioner's failure to raise certain issues in its pleadings meant that the same are already barred by laches.

As to the Court's findings, respondent argues that the period to assess petitioner with deficiency value-added tax (**VAT**), expanded withholding tax (**EWT**), and withholding tax on compensation (**WTC**) had not yet prescribed. Respondent likewise contends that: (1) the Letter-Protest that petitioner filed was intended as a Request for Reinvestigation; (2) petitioner filed an invalid Letter-Protest; and, (3) there is no "disputed assessment" that could serve as the proper subject matter of an appeal with this Court – while insinuating that each of these lapses meant that the Court had no jurisdiction to take cognizance of the instant case.

In its Comment, petitioner expresses agreement with the Court's exercise of jurisdiction over issues not raised by the parties based on the CTA's own rules of procedure. Likewise, petitioner echoes the Court's findings in declaring the assessment against it inescapably void.

We resolve.

Respondent contends that this Court cannot consider pieces of evidence that are present in the case's BIR Records, which were not formally offered.

In *Commissioner of Internal Revenue v. Jerry Ocier*[1], the Supreme Court carefully took heed of the procedural nuances in the recognition of evidentiary weight in evidence not offered, but nevertheless found compelling reason to relax the technical rules:

> ...
>
> In our view, the CTA *En Banc* thereby correctly ruled that the petitioner did not establish that an actual sale of the shares of stocks from the respondent to Tan had occurred because it had not formally offered its evidence. Such offer of evidence was indispensable to the consideration of the evidence by the trial court. The necessity of the formal offer of evidence has been suitably stressed in *Commissioner of Internal Revenue v. United Salvage and Towage (Phils.), Inc.* thusly:
>
>> Under Section 8 of Republic Act (R.A.) No. 1125, the CTA is categorically described as a court of record. As such, it shall have the power to promulgate rules and regulations for the conduct of its business, and as may be needed, for the uniformity of decisions within its jurisdiction. Moreover, as cases filed before it are litigated de novo, party-litigants shall prove every minute aspect of their cases. Thus, no evidentiary value can be given the pieces of evidence submitted by the BIR, as the rules on documentary evidence require that these documents must be formally offered before the CTA. Pertinent is Section 34, Rule 132 of the Revised Rules on Evidence which reads:
>>
>>> SEC. 34. Offer of evidence. — The court shall consider no evidence which has not been formally offered. The purpose for which the evidence is offered must be specified.
>>
>> Although in a long line of cases, we have relaxed the foregoing rule and allowed evidence not formally offered to be admitted and considered by the trial court, we exercised extreme caution in applying the exceptions to the rule, as pronounced in *Vda. de Oñate v. Court of Appeals*, thus:
>>
>>> From the foregoing provision, **it is clear that for evidence to be considered, the same must be formally offered.** Corollarily, the mere fact that a particular document is identified and marked as an exhibit does not mean that it has already been offered as part of the evidence of a party. In *Interpacific Transit, Inc. v. Aviles* [186 SCRA 385, 388-389 (1990)], we had the occasion to make a distinction between identification of

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[1] G.R. No. 192023, 21 November 2018; Citations omitted, underscoring supplied, emphasis and italics in the original text.

> documentary evidence and its formal offer as an exhibit. We said that the first is done in the course of the trial and is accompanied by the marking of the evidence as an exhibit while the second is done only when the party rests its case and not before. A party, therefore, may opt to formally offer his evidence if he believes that it will advance his cause or not to do so at all. In the event he chooses to do the latter, the trial court is not authorized by the Rules to consider the same.
>
> However, in *People v. Napat-a* [179 SCRA 403 (1989)] citing *People v. Mate* [103 SCRA 484 (1980)], we **relaxed the foregoing rule and allowed evidence not formally offered to be admitted and considered by the trial court provided the following requirements are present, *viz.*: first, the same must have been duly identified by testimony duly recorded and, second, the same must have been incorporated in the records of the case.**
>
> The evidence may, therefore, be admitted provided the following requirements are present: (1) the same must have been duly identified by testimony duly recorded; and (2) the same must have been incorporated in the records of the case. Being an exception, the same may only be applied when there is strict compliance with the requisites mentioned above; otherwise, the general rule in Section 34 of Rule 132 of the Rules of Court should prevail.
>
> In the case at bar, petitioner categorically admitted that it failed to formally offer the PANs as evidence. Worse, it advanced no justifiable reason for such fatal omission. Instead, it merely alleged that the existence and due execution of the PANs were duly tackled by petitioner's witnesses. We hold that such is not sufficient to seek exception from the general rule requiring a formal offer of evidence, since no evidence of positive identification of such PANs by petitioner's witnesses was presented. Hence, we agree with the CTA *En Banc*'s observation that the 1994 and 1998 PANs for EWT deficiencies were not duly identified by testimony and were not incorporated in the records of the case, as required by jurisprudence.
>
> While we concur with petitioner that the CTA is not governed strictly by technical rules of evidence, as rules of procedure are not ends in themselves but are primarily intended as tools in the administration of justice, the presentation of PANs as evidence of the taxpayer's liability is not mere procedural technicality. It is a means by which a taxpayer is informed of his liability for deficiency taxes. It serves as basis for the taxpayer to answer the notices, present his case and adduce supporting evidence. More so, the same is the only means by which the CTA may ascertain and verify

> the truth of respondent's claims. We are, therefore, constrained to apply our ruling in *Heirs of Pedro Pasag v. Spouses Parocha*, viz.:
>
> > x x x. **A formal offer is necessary because judges are mandated to rest their findings of facts and their judgment only and strictly upon the evidence offered by the parties at the trial.** Its function is to enable the trial judge to know the purpose or purposes for which the proponent is presenting the evidence. On the other hand, **this allows opposing parties to examine the evidence and object to its admissibility**. Moreover, it facilitates review as the appellate court will not be required to review documents not previously scrutinized by the trial court.
>
> Strict adherence to the said rule is not a trivial matter. The Court in *Constantino v. Court of Appeals* ruled that the formal offer of one's evidence is deemed waived after failing to submit it within a considerable period of time. It explained that the court cannot admit an offer of evidence made after a lapse of three (3) months because to do so would "condone an inexcusable laxity if not non-compliance with a court order which, in effect, would encourage needless delays and derail the speedy administration of justice."

Nonetheless, the petitioner's failure to establish the nature of the transaction as a sale between the respondent and Tan due to the non-offer of the evidence did not prevent the CTA *En Banc* from resolving the issue *in favor* of the petitioner. There was enough proof extant in the records on which to base a ruling *against* the respondent. The CTA *En Banc* had the positive duty as a court of law to consider and give due regard to *everything* on record *relevant* and *competent* to its resolution of the ultimate issue presented for its adjudication. Even if the CTA *En Banc* could not validly consider and appreciate any matter that had not been formally offered by the petitioner, it could not turn a blind eye as to disregard the record that showed the transfer of shares that gave rise to the tax liability on the part of the respondent, including the evidence formally offered by the respondent himself as well as his admission. The CTA *En Banc* was all too aware of the presence of such proof in the records because it precisely declared that "the Court need no longer look into whether or not the subject BW shares were actually transferred, as this was clearly not controverted." Thus, the CTA *En Banc* gravely erred in upholding the ruling of the CTA in Division.

...

In the present case, a Memorandum dated 14 October 2019[2] (where the BIR's Assessment Division flagged errors during its review of the audit team's findings) and its attachments formed part of the evidence considered by the Court in the assailed Decision. In conjunction with other pieces of evidence on record, the Court reached the conclusion that the Formal Letter of Demand with Details of Discrepancies and Assessment Notices (**FLD/FAN**) substantially reproduced the contents of the Preliminary Assessment Notice (**PAN**), and made clear that respondent did not consider petitioner's arguments in its Reply to the PAN – in violation of its due process rights.

Echoing the Supreme Court, this Court, as the court of law, has the positive duty to consider "everything on record **relevant** and **competent** to its resolution of the ultimate issue". This Court, therefore, may not turn a blind eye and disregard the pieces of evidence which were not offered when they strongly support the foregoing conclusion that leads to the assessment's invalidity. The relevance and competence of the aforementioned Memorandum and its attachments are undeniable, being part of the BIR Records.

We likewise stress the strong evidentiary value afforded outright to the BIR Records mandatorily transmitted to this Court. By their very nature, the due execution and genuineness of public documents is recognized without need for further proof thereof.[3]

A public document is defined in Section 19, Rule 132[4] of the Revised Rules on Evidence[5], as follows:

> ...
> SEC. 19. *Classes of Documents.* — For the purpose of their presentation [in] evidence, documents are either public or private.
>
> Public documents are:
>
> (a) **The written official acts, or records of the sovereign authority, official bodies and tribunals, and public officers, whether of the Philippines, or of a foreign country;**
> (b) Documents acknowledged before a notary public except last wills and testaments;

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[2] BIR Records, pp. 336-338.
[3] See *Ernesto L. Salas v. Sta. Mesa Market Corporation, et al.*, G.R. No. 157766, 12 July 2007.
[4] PRESENTATION OF EVIDENCE.
[5] A.M. No. 19-08-15-SC or the 2019 Amendments to the 1989 Revised Rules on Evidence.

(c) Documents that are considered public documents under treaties and conventions which are in force between the Philippines and the country of source; and
(d) Public records, kept in the Philippines, of private documents required by law to be entered therein.

All other writings are private.[6]

...

In the consolidated cases of *Heirs of Jose Marcial K. Ochoa namely: Ruby B. Ochoa, Michaela B. Ochoa and Jomar B. Ochoa v. G & S Transport Corporation,*[7] the Supreme Court has held that the term 'public documents' under Section 19(a), Rule 132 of the Revised Rules on Evidence refer to those recording made by a public officer, to wit:

...

Paragraph (a) of [Sec. 19, Rule 132 of the Rules of Court] classifies the <u>written official acts, or records of the official acts of</u> the sovereign authority, official bodies and tribunals, and <u>public officers</u>, whether <u>of the Philippines</u>, or of a foreign country, as public documents. As mentioned in our March 9, 2011 Decision, USAID is the principal United States agency that extends assistance to countries recovering from disaster, trying to escape poverty, and engaging in democratic reforms and that it is an independent federal government agency that receives over-all foreign policy guidance from the Secretary of State of the United States. A further research on said agency shows that it was created through Executive Order 10973 by President John F. Kennedy on November 3, 1961 pursuant to the Foreign Assistance Act of 1961. It is headed by an Administrator and Deputy Administrator, both appointed by the President of the United States and confirmed by its Senate. From these, there can be no doubt that the USAID is an official government agency of a foreign country, the United States. Hence, Cruz, as USAID's Chief of the Human Resources Division in the Philippines, is actually a public officer. Apparently, Cruz's issuance of the subject USAID Certification was made in the performance of his official functions, he having charge of all employee files and information as such officer. In view of these, it is clear that **the USAID Certification is a public document pursuant to paragraph (a), Sec. 19, Rule 132 of the Rules of Court**. Hence, and consistent with our above discussion, **the authenticity and due execution of said Certification are already presumed. Moreover, as a public document issued in the performance of a duty by a public officer, the subject USAID Certification is *prima facie* evidence of the facts stated therein**. And, there being no clear and sufficient evidence presented by G & S to overcome these presumptions, the RTC is correct when it admitted in evidence the said document. The USAID Certification could very well be used as basis for the award for loss of income to the heirs.

...

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6 Emphasis supplied.

7 G.R. Nos. 170071 & 170125, 16 July 2012; Citations omitted, italics in the original text, emphasis and underscoring supplied.

The BIR Records include official letters, notices, and communications sent by the BIR to taxpayers regarding their tax matters. These documents, when properly kept and maintained by the BIR, are considered entries in public records made in the performance of a duty by a public officer. Accordingly, the Memorandum Report and MOA found in the BIR records are *prima facie* evidence of the facts stated therein, pursuant to Section 23[8], Rule 132 of the Revised Rules on Evidence.

With the foregoing, We perceive a disservice to the ends of justice if We were to ignore the glaring facts laid out therein amidst the hurdle of procedural technicalities. We are of strong view that this Court is, thus, **not** hand-tied, neither barred from declaring the subject assessment void. There is ample compelling evidence on record. The constraints of the technical rules of evidence should not force the Court turn a blind eye to the grave injustice upon petitioner stemming from respondent's own lapses.

As to the remainder of the issues respondent raised in his or her MR (*i.e.*, the Court lacks jurisdiction to rule over issues not specifically raised by the parties, the period to assess petitioner with deficiency taxes had not yet fully prescribed, and the defects in petitioner's Letter-Protest as a non-compliant Request for Reinvestigation meant that this Court could not acquire jurisdiction), these have already been thoroughly explained in the assailed Decision. As such, We find little or no need to reiterate our disquisitions on the matter. The remainder of respondent's arguments in its MR consist of those already raised and considered by this Court.

As the Supreme Court held in *Ortigas and Company Limited Partnership v. Judge Tirso Velasco, et al.*[9]:

> ...
>
> 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.

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[8] Sec. 23. *Public documents as evidence.* — **Documents consisting of entries in public records made in the performance of a duty by a public officer are *prima facie* evidence of the facts therein stated.** All other public documents are evidence, even against a third person, of the fact which gave rise to their execution and of the date of the latter. (Emphasis supplied)

[9] G.R. No. 109645, 04 March 1996.

> 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.
>
> ...

Furthermore, the Supreme Court in *Shangri-La International Hotel Management, Ltd., et al. v. Developers Group of Companies, Inc.*[10] ruled:

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

Clearly, it is the movant's duty to convincingly show grounds for a reconsideration of an assailed judgment or order, or at the least give its previous arguments a fresh perspective in such a way that would warrant a re-examination of the case. Unfortunately, in the instant case, respondent had failed to do so.

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[10] G.R. No. 159938, 22 January 2007; Citation omitted and emphasis supplied.

WHEREFORE, the foregoing premises considered, respondent's "Motion for Reconsideration (of the Decision dated 06 May 2025)" filed on 26 May 2025 *via* LBC and on 28 May 2025 *via* email is hereby **DENIED** for lack of merit.

SO ORDERED.

JEAN MARIE A. BACORRO-VILLENA
Associate Justice

I CONCUR:

LANEE S. CUI-DAVID
Associate Justice