REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

EN BANC

COMMISSIONER OF INTERNAL REVENUE,
Petitioner,

- *versus* –

MANULIFE DATA SERVICES, INC.,
Respondent.

CTA EB No. 1547
(CTA Case Nos. 8305, 8322, 8348 & 8408)

Present:

Del Rosario, *P.J.*
Castañeda, Jr.,
Bautista,
Uy,
Casanova,
Fabon-Victorino,
Mindaro-Grulla,
Ringpis-Liban, and
Manahan, *JJ.*

Promulgated:

JUL 05 2017 11:46 a.m.

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DECISION

CASTAÑEDA, JR., *J.:*

Before the Court *En Banc* is a Petition for Review[1] filed under Section 3(b), Rule 8 of the Revised Rules of the Court of Tax Appeals (RRCTA). It seeks the reversal of the Decision dated July 1, 2016,[2] (assailed Decision) as well as the Resolution dated October 14, 2016[3] (assailed Resolution) of the First Division (Court in Division)[4] of this Court in CTA Case Nos. 8305,

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[1] Court *En Banc's* Docket, pp.5-13.
[2] *Id.*, pp. 18-56.
[3] *Id.*, pp. 57-61.
[4] Composed of Presiding Justice Roman G. Del Rosario as Chairperson, Associate Justice Erlinda P. Uy and Associate Justice Cielito N. Mindaro-Grulla as members.

8322, 8348 & 8408, entitled *Manulife Data Services, Inc. v. Commissioner of Internal Revenue.*

The respective dispositive portions of the assailed Decision and Resolution are quoted hereunder:

Assailed Decision:

> "**WHEREFORE**, in light of the foregoing, the consolidated Petitions for Review are hereby **PARTIALLY GRANTED**. Accordingly, respondent is hereby **ORDERED TO REFUND** or **TO ISSUE A TCC** in favor of petitioner in the amount of **SIX MILLION THREE HUNDRED FIFTY-SEVEN THOUSAND FIVE HUNDRED FOUR PESOS AND THIRTY-NINE CENTAVOS (₱6,357,504.39)**, representing its unutilized excess input VAT attributable to its zero-rated receipts for the four (4) quarters of CY 2009.
>
> **SO ORDERED.**"

Assailed Resolution:

> "**WHEREFORE**, premises considered, respondent's **Motion for Reconsideration (of the Decision dated July 01, 2016)** is **DENIED** for lack of merit.
>
> **SO ORDERED.**"

THE FACTS

As found by the Court in Division in its Decision dated July 1, 2016, the facts of the present case are as follows:[5]

> "Petitioner Manulife Data Services, Inc. (respondent herein) is a foreign corporation duly registered with and licensed by the Securities and Exchange Commission (SEC) to operate as a Regional Operating Headquarter (ROHQ) under SEC Certificate of Registration No. FS200603505. It is a VAT-registered entity since March 9, 2006. Its registered address is at Manulife Building, UP North Science and Technology Park,

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[5] Court *En Banc's* Docket, pp. 19-28 (Citations omitted).

Commonwealth Avenue, Diliman, Quezon City. As an ROHQ, petitioner is engaged in the business of providing qualifying services to its affiliates and related parties in the Asia-Pacific Region and in other foreign markets.

On the other hand, respondent (petitioner herein) is the duly appointed Commissioner of the Bureau of Internal Revenue (BIR), with principal office at the 5th Floor, BIR National Office Building, Agham Road, Diliman, Quezon City. She is vested with the power to decide tax cases, including claims for refunds or tax credits.

For the year 2009, petitioner filed its original and amended Quarterly VAT Returns on the following dates:

QUARTERLY VAT RETURNS (2009)	DATE FILED
1st Quarter (Original)	April 24, 2009
2nd Quarter (Original)	July 24, 2009
2nd Quarter (Amended)	August 4, 2009
3rd Quarter (Original)	October 22, 2009
4th Quarter (Original)	January 25, 2010
4th Quarter (Amended)	March 19, 2010

Thereafter, petitioner filed with respondent, through the Revenue District Office (RDO) No. 38, applications for refund or issuance of tax credit certificate for its alleged excess/unutilized input VAT, on the following dates:

TAXABLE PERIOD (2009)	DATE FILED	AMOUNT
1st Quarter	February 1, 2011	₱ 4,085,030.49
2nd Quarter	March 28, 2011	P 5,736,852.20
3rd Quarter	May 13, 2011	P 8,033,790.00
4th Quarter	August 12, 2011	P 4,346,213.61

Respondent failed to rule on petitioner's applications for refund or issuance of TCC for its purported excess/unutilized input VAT for the four quarters of 2009. Jz

Thus, petitioner filed separate Petitions for Review for the refund or issuance of TCC of its alleged excess and unutilized input VAT for each of the taxable quarters of CY 2009, the details of which are as follows:

CTA CASE NO.	TAXABLE PERIOD (2009)	DATE FILED
8305	1st Quarter	June 30, 2011
8322	2nd Quarter	August 18, 2011
8348	3rd Quarter	October 6, 2011
8408	4th Quarter	January 3, 2012

On August 26, 2011, within the extension period granted by the Court, respondent filed her Answer in CTA Case No. 8305, interposing the following Special and Affirmative Defenses:

'SPECIAL AND AFFIRMATIVE DEFENSES

3. She reiterates and re-pleads the preceding paragraphs of this Answer as part of her Special and Affirmative Defenses.

4. Petitioner's claim for the issuance of tax refund/tax credit certificate is subject to administrative investigation/examination by respondent's Bureau.

5. Taxes paid and collected are presumed to have been paid in accordance with law and regulations, hence, not refundable.

6. Moreover, in order to validly claim for tax credit/refund, it is imperative for petitioner to prove its compliance with the following, viz:

a. The registration requirements of a value-added taxpayer under the pertinent provision of the 1997 NIRC, as amended, and its implementing revenue regulations;
b. The invoicing and accounting requirements for VAT-registered persons, as well as the filing and payment of VAT pursuant to the provisions

of Sections 113 and 114 of the 1997 NIRC, as amended. Failure to comply with the invoicing requirements on the documents supporting the sale of goods and services will result in the disallowance of the claim for input tax of the taxpayer claimant (Revenue Memorandum Circular No. 42-2003).

c. The submission of complete documents in support of the administrative claim for tax refund pursuant to Section 112 (C) of the 1997 NIRC, as amended, otherwise, there would be no sufficient compliance with regard to the filing of administrative claim for tax credit/refund which is a condition *sine qua non* prior to the filing of the such (sic) claim.

d. That the input taxes of P4,085,030.49 allegedly representing unutilized input VAT from its purchases of goods and services from VAT[-] registered suppliers were:

i. paid by the petitioner;
ii. attributable to its zero-rated or effectively zero-rated sales; and
iii. such input taxes paid should not have been applied against any output tax.

e. That petitioner's claim for tax credit/refund allegedly representing unutilized input VAT in the amount of P4,085,030.49 was filed within two (2) years after the close of the taxable quarter when the sales were made in accordance with Section 112 (A) of the 1997 NIRC, as amended.

7. In an action for tax credit/refund, the burden of proof rests upon the taxpayer to establish by sufficient and competent evidence its entitlement to a claim for refund.

8. A tax credit or refund, like tax exemption, is strictly construed against the taxpayer. The taxpayer claiming the tax credit or refund has the burden of proving that he is entitled to the refund or credit, in this case VAT input tax, by submitting evidence that he has complied with the requirements laid down in the [T]ax [C]ode and the BIR's revenue regulations under which such privilege of credit or refund is

accorded *(Microsoft Philippines, Inc. vs. Commissioner of Internal Revenue, GR No. 180173, April 6, 2011).'*

Likewise, within the extension period granted by the Court, respondent filed her Answers in CTA Case Nos. 8322 and 8348, on October 20, 2011 and on November 28, 2011, respectively, interposing substantially the same Special and Affirmative Defenses as those alleged in the Answer in CTA Case No. 8305, except for the amounts involved therein (*i.e.*, ₱5,736,852.20 and ₱8,033,790.00) and periods (*i.e.*, April 1, 2009 to June 30, 2009 and July 1, 2009 to September 30, 2009) of the claim.

Respondent also contends, in both cases, that petitioner's citation in Paragraph 15 of the law is misleading and confusing considering that the laws on VAT had been amended. Respondent alleges that under Republic Act (RA) No. 9337, there are only two kinds of VAT-registered taxpayers who may apply for the issuance of a tax credit certificate or refund of input taxes, namely: (1) those with zero-rated and effectively zero-rated sales; and (2) those who would be cancelling their VAT registration. Thus, input taxes derived from importation or local purchases of capital goods to the extent that such input taxes have not been applied against output taxes are no longer entitled to this remedy except only when the VAT taxpayer would already be cancelling its VAT registration.

As regards respondent's Answer in CTA Case No. 8408 filed on March 26, 2012, also within the extension period granted by the Court, respondent interposes the following special and affirmative defenses:

'SPECIAL AND AFFIRMATIVE DEFENSES

4. She reiterates and re-pleads the foregoing paragraphs of this Answer as part of her Special and Affirmative Defenses;
5. Petitioner's claim for issuance of tax credit certificate is subject to administrative investigation/examination by [r]espondent's Bureau;
6. Taxes paid and collected are presumed to have been paid in accordance with law and regulations, hence, not refundable; qr

7. It is incumbent upon the taxpayer to prove its compliance with the pertinent provisions of the NIRC, particularly Sections 112, 113 and 114 to validly claim for tax a (sic) credit/refund;
8. Taxpayer must establish by sufficient and competent evidence that it is entitled to a tax credit/refund;
9. Claims for refund are strictly construed against the taxpayer as the same partakes the nature of a tax exemption;
10. The [p]etitioner should prove its legal basis for claiming the amount to be refunded.'

Thereafter, the four (4) cases were set for Pre-trial Conference as follows: for CTA Case No. 8305, on September 23, 2011; for CTA Case No. 8322, on November 17, 2011; for CTA Case No. 8348, on January 13, 2012; and for CTA Case No. 8408, on April 26, 2012.

Petitioner filed a Reply in each of the four cases to refute respondent's arguments contained in her Answers. In CTA Case No. 8305, petitioner filed 'Reply (Re: Answer dated 26 August 2011)' on September 9, 2011; in CTA Case No. 8322, it filed a Reply (Re: Answer dated 19 October 2011) through registered mail on November 8, 2011, which was received by the Court on November 15, 2011; in CTA Case No. 8348, petitioner filed its Reply (Re: Answer dated 28 November 2011) on December 8, 2011; and in CTA Case No. 8408, petitioner filed its Reply (Re: Answer dated 23 March 2012) on April 10, 2012.

On October 27, 2011, a Joint Stipulation of Facts and Issue was filed in CTA Case No. 8305. In the Resolution dated November 3, 2011, the Court ordered the parties to file a Supplemental Joint Stipulation of Facts and Issues, as they failed to indicate the list of documents to be presented. Hence, on November 18, 2011, the parties submitted their Supplemental Joint Stipulation of Facts and Issue. These were approved by the Court in the Resolution dated November 23, 2011, which also terminated the Pre-Trial. Thereafter, the Pre-Trial Order was issued on January 16, 2012 in CTA Case No. 8305.

Meanwhile, the Joint Stipulation of Facts and Issue in CTA Case Nos. 8322 and 8348, were submitted on December 7, 2011 and July 20, 2012, respectively. These were approved by the Court through the Pre-Trial Order issued on January 3, 2012 and the Resolution dated July 26, 2012, which also terminated the Pre-Trial.

Petitioner filed a Motion for Consolidation on January 9, 2012, seeking the consolidation of CTA Case No. 8322 with CTA Case No. 8305. This was granted by the Third Division of the Court in the Resolution dated February 8, 2012. The First Division of the Court affirmed the consolidation of CTA Case No. 8322 with the CTA Case No. 8305 in the Resolution dated April 2, 2012.

In both CTA Case Nos. 8305 and 8348[,] petitioner separately filed an Omnibus Motion A. For Leave of Court for Early Resolution of the Issue Whether Petitioner's Claim for Refund of Excess and Unutilized Input Taxes as Deemed Granted if Respondent Fails to Act Within the 120-day Period Under Section 112 of the 1997 NIRC; B. To Allow Petitioner to File its Formal Offer of Evidence Relative to this Issue; C. Postponement of Petitioner's Presentation of Evidence Until Resolution of this Motion, on January 24, 2012 and on February 14, 2012. These were denied by the Court for lack of merit in the Resolutions dated March 29, 2012 and April 3, 2012. Thereafter, petitioner filed [its] Motions for Reconsiderations on April 19, 2012 and on April 20, 2012, respectively. The Court, however, denied petitioner's Motions for Reconsideration in the Resolutions dated June 18, 2012 and June 6, 2012.

Meanwhile, on April 25, 2012, petitioner filed an Omnibus Motion A. For Leave of Court for Early Resolution of the Issue Whether Petitioner's Claim for Refund of Excess and Unutilized Input Taxes as Deemed Granted if Respondent Fails to Act Within the 120-day Period Under Section 112 of the 1997 NIRC; B. Postponement of Pre-Trial Conference on 26 April 2012 and Suspension of Proceedings until Resolution of this Motion. This was denied by the Court for lack of merit in the Resolution dated June 26, 2012. Thereafter, on July 12, 2012, petitioner filed a Motion for Reconsideration (Re: Resolution of 26 June 2012), which was also denied in the Resolution dated November 22, 2012.

On July 4, 2012, pursuant to the consolidation of CTA Case Nos. 8305 and 8322, the parties filed a Consolidated Joint Stipulation of Facts and Issue.

Thereafter, petitioner filed an Urgent Motion for Consolidation on July 19, 2012, seeking to consolidate CTA Case No. 8348 with CTA Case No. 8305. This was granted by the Court in the Resolution dated August 15, 2012, which consolidated CTA Case No. 8348 with CTA Case Nos. 8305 and 8322.

Consequently, the Court ordered the parties to file a Consolidated Joint Stipulation of Facts and Issues. The parties complied with the order by submitting their Amended Consolidated Joint Stipulation of Facts and Issue on August 30, 2012. This was approved by the Court in the Resolution dated September 18, 2012. Thereafter, a Consolidated Pre-Trial Order was issued on February 21, 2013.

On January 18, 2013, petitioner filed a Motion for Consolidation in CTA Case No. 8408, seeking to consolidate CTA Case No. 8408 with CTA Case Nos. 8305, 8322 and 8348. This was granted by the Third Division of the Court in the Resolution dated February 20, 2013, which consolidated CTA Case No. 8408 with CTA Case No. 8408 with CTA Case Nos. 8305, 8322, and 8408. This was affirmed by the First Division of the Court in the Resolution dated March 22, 2013.

The parties again filed an Amended Consolidated Joint Stipulation of Facts and Issue on April 18, 2013. This was approved by the Court in the Resolution dated April 24, 2013. Thereafter, the Court issued an Amended Consolidated Pre-Trial Order on April 25, 2013.

On May 10, 2013, upon Motion of petitioner, the Court commissioned Katherine O. Constantino as an Independent Certified Public Accountant (CPA) for the instant consolidated cases.

During trial, petitioner presented the following witnesses: (1) Agnes N. Neria – its Accounting Specialist; (2) Lourdes Rosario V. Mantaring – its Vice[-]President and General Manager; (3) Amelia Villamor – its Vice[-]President for Operations; and (4) Katherine O. Constantino – the Independent CPA.

On April 10, 2014, petitioner filed its Formal Offer of Evidence. In the Resolution dated September 25, 2014, the Court admitted as petitioner's evidence, Exhibits 'A' to 'M-2', 'N' to 'U-1', 'W' to 'Y-3', 'AA' to 'BB-1', 'DD', 'FF' to 'KK-2', 'LL', 'LL-1', 'LL-2', 'LL-3' to 'SS', 'SS-1', 'SS-2', 'SS-3', 'TT-1', 'TT-2', 'UU' to 'XX-2', 'XX-4' to 'YY-3', 'ZZ' to 'ZZ-4', 'BBB' to 'EEE', 'EEE-2' to 'JJJ', 'NNN' to 'PPP-597', 'PPPa' to 'PPP-233a', 'PPP-235-a' to 'PPP-243a', 'PPP245a' to 'PPP-261a', 'QQQ' to 'VVV-300', 'VVV-109A', 'VVV-271A', 'VVV-272A', 'WWW' to 'EEEE', 'F^4', 'F^4-1', 'IIIII', 'IIIII-1', 'K^5', and 'K^5-1'. However, the Court denied the admission of Exhibits 'V' and 'CC', for failure of petitioner to have the said exhibits identified; Exhibits 'Z' to 'Z-^{5}', 'EE', 'KKK' to 'MMM', 'G^5', 'H^5' and 'JJJJJ', for failure of petitioner to submit the originals for comparison; and Exhibits 'PPP-234a' and 'PPP-244a', for not being found in the records of the case.

On October 17, 2014, petitioner filed a Motion for Partial Reconsideration (Re: Resolution dated 25 September 2014; with Prayer for Reopening of Trial), praying that the Court would grant its request to reopen the case and recall its witnesses Katherine O. Constantino and Agnes N. Neria to testify regarding the excluded exhibits and after due hearing allow petitioner to submit a supplemental formal offer of documentary exhibits. This was granted by the Court in the Resolution dated December 18, 2014.

Consequently, petitioner's witnesses Katherine O. Constantino and Agnes N. Neria were recalled to testify on February 10, 2015.

Thereafter, petitioner filed its Supplemental Formal Offer of Exhibits on February 20, 2015. In the Resolution dated April 7, 2015, the Court admitted petitioner's Exhibits 'L^5', L^5-1', 'M^5', 'M^5-1', 'V', 'CC', 'Z', 'Z-1', 'Z-2', 'Z-3, 'Z-4', 'Z-5', 'EE', 'KKK', 'LLL', 'LLL-1', 'LLL-2', 'LLL-3', 'MMM', 'G^5', 'H^5', 'JJJJJ', 'PPP-234a', 'PPP-244', and 'PPP-244a'.

During the February 10, 2015 hearing, respondent's counsel manifested that she will not be presenting evidence for respondent. In view therefore, (sic) both parties were given thirty (30) days from receipt of the Court's Resolution of petitioner's Supplemental Formal Offer of Evidence to file their Memoranda.

Within the extended time granted by the Court, the Memorandum for the Petitioner was filed on May 29, 2015; ℊ

> while respondent's Memorandum was filed on June 15, 2015. Hence, the instant consolidated cases were submitted for decision in the Resolution dated July 1, 2015."

On July 1, 2016, the Court in Division rendered the assailed Decision partially granting respondent's Petition for Review. The Court in Division ordered petitioner to refund or to issue a tax credit certificate in favor of respondent in the amount of Six Million Three Hundred Fifty-Seven Thousand Five Hundred Four Pesos and 39/100 (₱6,357,504.39), representing its unutilized excess input VAT attributable to its zero-rated receipts for the four quarters of CY 2009.

Aggrieved, petitioner filed a Motion for Reconsideration on July 20, 2016 which the Court in Division denied in the assailed Resolution.

On November 21, 2016, petitioner filed the present Petition for Review.

On January 12, 2017, respondent filed its Comment/Opposition (Re: Petition for Review dated 21 November 2016).

In a Resolution dated January 24, 2017, the Court *En Banc* gave due course to the present Petition for Review. Accordingly, the Court *En Banc* granted the parties a period of thirty (30) days from notice within which to file their Memoranda.

On March 6, 2017, respondent filed its Memorandum. Petitioner, on the other hand, filed his Memorandum on March 16, 2017.

Thus, through the Court *En Banc*'s Resolution dated April 5, 2017, the present case was submitted for decision.

THE ISSUE

Petitioner filed the present Petition for Review of the basis of the following ground: [6]

> "The Honorable First Division erred in partially granting respondent's tax refund claim considering its failure to fully substantiate its claim for refund of alleged unutilized input VAT on purchases of

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[6] *Id.*, p. 8.

goods and services attributable to its zero-rated sales."

THE COURT *EN BANC*'S RULING

In the present Petition, petitioner claims that based on the assailed Decision, it was not shown that the sales invoices and/or official receipts [have] fully complied with the substantiation requirements imposed by Sections 110 and 113 of the National Internal Revenue Code of 1997, as amended (1997 NIRC), and as implemented by Section 4.110-8 of Revenue Regulations (RR) No. 16-2005, as amended, particularly on the stating of information in VAT invoice or official receipt.[7]

Petitioner, citing the Supreme Court case of *Panasonic Communications Imaging Corporation of the Philippines v. Commissioner of Internal Revenue*,[8] also asserts that compliance with the invoicing requirements under Section 4.108-1 of RR No. 16-2005, as amended, is mandatory and failure to comply with such requirement would result to the disallowance of the claim. Accordingly, petitioner maintains that there is a need to verify that the VAT invoices or official receipts supporting the present claim for refund included not only the name of the taxpayer, but also its Tax Identification Number (TIN), registered address, and business style, if any.[9]

In response thereto, respondent argues that petitioner's evidence has been comprehensively and completely evaluated in the assailed Decision.[10] Thus, according to respondent, petitioner's argument that the Court in Division erred when it partially granted the present claim without sufficient substantiation should be rejected.[11] Respondent also stresses that besides making sweeping general conclusions, the present Petition for Review does not individually specify which evidence, allowed as proof of the claim, should have been rejected and for what causes.[12] Thus, respondent avers that the present Petition for Review merely presents a frivolous appeal.[13]

After careful evaluation of the facts, issue, and arguments presented by the parties, the Court *En Banc* finds that the arguments herein raised by petitioner are substantially identical to or mere reiterations of the arguments in his Motion for Reconsideration (of the Decision dated July 01, 2016)

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[7] *Id.*, p. 10.
[8] G.R. No. 178090, February 8, 2010, 612 SCRA 28.
[9] Court *En Banc*'s Docket, pp. 10-12.
[10] *Id.*, p. 66.
[11] *Id.*, p. 67.
[12] *Id.*, p. 69.
[13] *Id.*, citing *Maglana Rice and Corn Mill, Inc. v. Tan*, G.R. No. 159051, September 21, 2011, 658 SCRA 58, 67.

which had already been sufficiently considered, discussed, and passed upon by the Court in Division in the assailed Resolution.

As correctly pointed out by respondent, the present Petition for Review failed to specify which of the VAT invoices and/or receipts admitted by the Court in Division in the assailed Decision that are not compliant with the invoicing and substantiation requirements under the law. The Petition merely alleges that "...it was not shown that the sales invoices and/or official receipts [have] fully complied with the substantiation requirements..."[14] and also that "...there is a need to verify that the VAT invoices or official receipts supporting the claim for refund included not only the name of the taxpayer, but also its TIN number, registered address, and business style, if any..."[15] and nothing more. These statements are in the nature of general assignments of error which are not allowed under the rules and established jurisprudence.

In the case of *De Liano et. al. v. Hon. Court of Appeals*,[16] the Supreme Court emphasized the need for litigants to specify in their appeal briefs the error or errors alleged to have been committed by a lower court. The relevant portion of the said decision reads:

> "An assignment of errors in appellate procedure is an enumeration by appellant or plaintiff in error of the errors alleged to have been committed by the court below in the trial of the case upon which he seeks to obtain a reversal of the judgment or decree; it is in the nature of a pleading, and performs in the appellate court the same office as a declaration or complaint in a court of original jurisdiction. Such an assignment is appellant's complaint, or pleading, in the appellate court, and takes the place of a declaration or bill; an appeal without an assignment of errors would be similar to a suit without a complaint, bill, or declaration. The assignment is appellant's declaration or complaint against the trial judge, charging harmful error, and proof vel non of assignment is within the record on appeal.
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> xxx xxx xxx
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> **The object of such pleadings is to point out the specific errors claimed to have been committed by the court below, in order to enable the reviewing court and the opposing party to see on what points appellant or plaintiff in error**

[14] *Supra*, Note 7.
[15] *Supra*, Note 9.
[16] G.R. No. 142316, November 22, 2001, 370 SCRA 362, 363 citing *Santiago v. Felix*, G.R. No. L-7344, February 27, 1913, 94 Phil. 378, 384.

> **intends to ask a reversal of the judgment or decree, and to limit discussion to those points.** The office of an assignment of errors is not to point out legal contentions, but only to inform the appellate court that appellant assigns as erroneous certain named rulings; the function of the assignment is to group and bring forward such of the exceptions previously noted in the case on appeal as appellant desires to preserve and present to the appellant.
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> **It has been held that a general assignment of errors is unacceptable under the rules. Thus, a statement of the following tenor: that 'the Court of First Instance of this City incurred error in rendering the judgment appealed from, for it is contrary to law and the weight of the evidence,' was deemed insufficient. The appellant has to specify in what aspect of the law or the facts that the trial court erred.** The conclusion, therefore, is that the appellant must carefully formulate his assignment of errors. xxx" *(Emphasis supplied)*

Consistent with the foregoing ruling, the Court *En Banc* holds that petitioner's failure to identify with reasonable specificity the flawed invoices and receipts purportedly introduced by respondent and admitted by the Court in Division is fatal to its appeal. Such infirmity prevents respondent from squarely confronting the issue and bars the Court *En Banc* from rendering a well-informed decision, especially considering that the case involves voluminous invoices and receipts.

In this regard, the Court *En Banc* agrees with the findings and conclusions of the Court in Division in the assailed Resolution and thus, quotes with approval the relevant portions thereof, to wit:

> "Contrary to respondent's (herein petitioner) assertion, the assailed Decision established that the input taxes on domestic purchases were supported by documents such as VAT official receipts and VAT invoices which complied with the substantiation requirements. Specifically, the Court, in addition to the findings of the Independent Certified Public Accountant, made an independent examination of the supporting documents of petitioner (herein respondent), and have classified which among its invoices or official receipts did not comply with the substantiation requirements of the law, and accordingly, disallowed the same.

Correspondingly, respondent's general statement that this Court's Decision failed to establish compliance with the invoicing and substantiation requirements deserves scant consideration. It behooves upon respondent to specifically pinpoint which of petitioner's invoices or official receipts failed to comply with the substantiation requirements under Sections 110 and 113 of the NIRC of 1997, as amended, and as implemented by Section 4.110-8 of Revenue Regulations No. 16-2005, as amended. In this connection, it must be emphasized that the function of a motion for reconsideration is to point out to the court the error that it may have committed and to give it a chance to correct itself. Since respondent did not do so in the instant Motion, it must perforce fail."

In view of the foregoing, the Court *En Banc* finds no substantial matter or compelling reason to modify much less reverse the findings and conclusions of the Court in Division in the assailed Decision and Resolution.

WHEREFORE, the present Petition for Review is **DENIED** for lack of merit.

SO ORDERED.

Juanito C. Castañeda, Jr.
JUANITO C. CASTAÑEDA, JR.
Associate Justice

WE CONCUR:

ROMAN G. DEL ROSARIO
Presiding Justice

LOVELL R. BAUTISTA
Associate Justice

ERLINDA P. UY
Associate Justice

CAESAR A. CASANOVA
Associate Justice

ESPERANZA R. FABON-VICTORINO
Associate Justice

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

Ma. Belen
MA. BELEN M. RINGPIS-LIBAN
Associate Justice

Catherine T. Manahan
CATHERINE T. MANAHAN
Associate Justice

CERTIFICATION

Pursuant to Article VIII, Section 13 of the Constitution, it is hereby certified that the conclusions in above decision were reached in consultation before the case was assigned to the writer of the opinion of the Court.

ROMAN G. DEL ROSARIO
Presiding Justice