REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

THIRD DIVISION
****

HENRYVILLE, INC., Petitioner,	**CTA Case No. 9365**
	Members:
- versus -	**UY,** *Chairperson,* **RINGPIS-LIBAN,** *and* **MODESTO-SAN PEDRO,** JJ.
COMMISSIONER OF INTERNAL REVENUE, Respondent.	***Promulgated:*** MAY 27 2021 11:48 a.m.

x - x

RESOLUTION

UY, J.:

For resolution is the ***MOTION FOR RECONSIDERATION***[1] filed by respondent Commissioner of Internal Revenue (CIR) on October 26, 2020, with petitioner Henryville Inc.'s ***COMMENT/OPPOSITION to Motion for Reconsideration dated 26 October 2020***[2] filed *via* registered mail on January 29, 2021 and received by the Court on February 10, 2021, praying for the reversal and setting aside of the Decision[3] dated July 10, 2020. The dispositive portion of the assailed Decision reads:

> "**WHEREFORE,** in light of the foregoing considerations, the instant *Petition for Review* is hereby **GRANTED**. Accordingly, respondent is **ORDERED TO REFUND or to ISSUE A TAX CREDIT CERTIFICATE** to petitioner in the amount of **₱11,250,000.00**, representing compromise penalties imposed without authority or were wrongfully collected.

---

[1] Docket, pp. 268 to 274.
[2] Docket, pp. 277 to 287.
[3] Docket, pp. 253 to 267.

SO ORDERED."

Respondent's arguments:

Respondent argues that the Court erred in ruling that it failed to observe the requirements under Revenue Memorandum Order (RMO) No. 19-2007 relative to the amount of penalties imposed on petitioner. Allegedly, the penalties imposed against petitioner is valid and was collected with authority; and that RMO 19-2007 allows the imposition of penalties other than those provided in the schedule of penalties such when the same is duly approved.

Respondent claims that the penalties issued against petitioner based on the Mission Order are valid and binding, as the same was approved by the Regional Director.

Further, respondent maintains that petitioner should be liable to pay the assessed penalties; and that the revenue officer's assessment should be given full weight and credit as there is no violation of petitioner's right to due process.

Petitioner's counter-arguments:

In its *Comment/Opposition*, petitioner maintains that the instant *Motion* should be denied outright for bring *pro forma* pursuant to Section 2, Rule 37 of the Rules of Court. Allegedly, respondent's *Motion* did not raise any new or substantial legitimate ground or reason to justify the reconsideration for which the CIR prays.

Petitioner claims that the ground raised by the CIR does not warrant the relief prayed for since the CIR did not afford petitioner due process in imposing and collecting the subject penalties. Thus, the same are arbitrary and void.

Petitioner further submits that while taxes are the lifeblood of the government, the collection thereof should not be arbitrary, and should be in accordance with due process.

THE COURT'S RULING

We deny the instant *Motion for Reconsideration.* ~~h

After a careful examination and consideration of the instant *Motion*, it is noted that the arguments raised therein are mere reiteration of matters which have already been considered, weighed and resolved in the assailed Decision.

It bears reiterating that in the instant case, the Bureau of Internal Revenue, through Regional Jonas DP. Amora, in imposing the subject compromise penalties and in directing petitioner to pay the same, did **not** follow the strict mandate that all amounts of compromise penalties shall be itemized in a separate assessment notice/demand letter. Further, as held in the assailed Decision, the supposed criminal violations committed by petitioner are not clearly shown as falling under any of the items stated in the Revised Schedule of Compromise Penalties attached to RMO No. 19-2007. These findings were not sufficiently controverted by respondent.

It must be stressed that acts executed against the provisions of mandatory or prohibitory laws shall be void.[4] Thus, considering that the pertinent provisions of RMO No. 19-2007 were not strictly observed by respondent or the BIR in this case, the payment of compromise penalties by petitioner is a nullity.

Accordingly, finding no compelling reason to reconsider, modify or reverse Our Decision, We shall no longer belabor in this Resolution, to repeat the disquisitions made therein.

WHEREFORE, in light of the foregoing considerations, the instant *Motion for Reconsideration* is hereby **DENIED** for lack of merit.

SO ORDERED.

ERLINDA P. UY
Associate Justice

---

[4] Civil Code of the Philippines, Article 5 provides: "Acts executed against the provisions of mandatory or prohibitory laws shall be void, except when the law itself authorizes their validity." Refer also to *Barcelote vs. Republic of the Philippines, et al., G.R. No. 222095, August 7, 2017.*

WE CONCUR:

MA. BELEN M. RINGPIS-LIBAN
Associate Justice

MARIA ROWENA MODESTO-SAN PEDRO
Associate Justice