REPUBLIC OF THE PHILIPPINES
Court of Tax Appeals
QUEZON CITY

FIRST DIVISION

REMA TIP TOP PHILIPPINES, INC., *Petitioner,*	**CTA Case No. 9836**
	Members:
- versus -	**DEL ROSARIO,** *P.J., Chairperson, and* **MANAHAN,** *JJ.*
COMMISSIONER OF INTERNAL REVENUE, *Respondent.*	**Promulgated:** MAY 25 2021 3:00 pm

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DECISION

***DEL ROSARIO, P.J.*:**

Before this Court is a Petition for Review filed on May 15, 2018 by petitioner Rema Tip Top Philippines, Inc. against respondent Commissioner of Internal Revenue (CIR), praying for the refund of Five Million Eight Hundred Ninety-Seven Thousand Nine Hundred Seventeen and 11/100 Pesos (₱5,897,917.11) representing its input Value-Added Tax (VAT) allegedly attributable or allocated to its zero-rated sales for taxable year (TY) 2016.

THE PARTIES

Petitioner Rema Tip Top Philippines, Inc. is a corporation duly organized and existing under Philippine laws, with principal business address at Unit 502 Richmonde Plaza Ortigas, San Miguel Ave. cor. Lourdes St., Pasig City.[1] It is registered with the Bureau of Internal Revenue (BIR) as a VAT taxpayer with Tax Identification No. (TIN) 008-042-655-000 under Certificate of Registration No. OCN3RC0000758904.[2]

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[1] Par. 8, Petition for Review, CTA Docket vol. I, p. 19; and Exhibit "P-4-1", CTA Docket vol. VI, p. 3469.
[2] Exhibit "P-2", CTA Docket vol. VI, p. 3442.

Respondent, on the other hand, is the duly appointed Commissioner of the BIR, with principal office at the 5th Floor, BIR National Office Building, Agham Road, Diliman, Quezon City.[3]

THE FACTS

Petitioner was incorporated on May 9, 2011.[4] Its primary purpose as stated in its Amended Articles of Incorporation[5] is as follows:

> "To operate, conduct and carry on the business of engaging in any construction or construction-related work on commercial or industrial facilities to maximize the operational readiness thereof by employing or installing corrosion and wear and tear protection using techniques, now employed or to be developed, and taking advantage of versatile properties or materials such as, but not limited to, rubber, polyurethane, polytetrafluor ethylene, polyethylene, aluminum oxide ceramics and plyurea; to make, execute, and receive contracts or assignments or delegations of contracts for or relating to or connected with the business of providing corrosion and wear and tear protection and other commercial and industrial solutions; to manufacture, import or otherwise acquire, and to furnish all other tools and equipment connected with or required for the business; to manufacture, produce, adapt, prepare, import, and deal in any materials, articles, or things incidental to, or required for, or useful in connection with, any of such activities; and generally to carry on any other activities which can be advantageously pursued in conjunction with or incidental to any of the above purposes."

On July 12, 2017, petitioner filed with the BIR its Amended Quarterly VAT Return for the first, second, third and fourth quarters of TY 2016.[6]

On April 2, 2018, petitioner filed with respondent, through Revenue District Office (RDO) No. 43, an administrative claim for refund of input VAT attributable to zero-rated sales made in TY 2016.[7]

On April 12, 2018, petitioner received a Letter dated April 10, 2018 from RDO No. 43 denying its administrative claim for refund.[8]

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[3] Par. 2, II. Statement of Facts and Issues, Pre-Trial Order, CTA Docket VI, p. 3082.
[4] Exhibit "P-3-1", CTA Docket vol. VI, p. 3455.
[5] Exhibit "P-3", CTA Docket vol. VI, pp. 3443-3453.
[6] Exhibits "P-8", "P-9", "P-10" and "P-11", CTA Docket vol. VI, pp. 3489-3490, 3487-3488, 3485-3486 and 3483-3484.
[7] Exhibit "P-5", CTA Docket vol. VI, p. 3477.
[8] Exhibit "P-70", CTA Docket vol. VI, p. 3592.

In view of the denial of its administrative claim, petitioner filed the present Petition for Review before the Court on May 15, 2018.[9]

On July 13, 2018, within the extended period[10], respondent filed his Answer,[11] with the following special and affirmative defenses: (1) petitioner's claim for tax refund was correctly denied for its failure to submit the documents required in Revenue Memorandum Order (RMO) 54-2014; (2) petitioner failed to comply with the invoicing and accounting requirements under the National Internal Revenue Code (NIRC); (3) the Financial Statements of petitioner did not show that it recorded nor earmarked the alleged unutilized input taxes subject of the present claim; (4) claimant has the burden of proof to establish the factual basis of the claim for tax credit or refund; and (5) tax refunds are in the nature of tax exemptions which are construed *strictissimi juris* against the taxpayer and liberally in favor of the government.

On November 5, 2018, both the respondent's Pre-Trial Brief[12] and petitioner's Pre-Trial Brief[13] were filed. The Pre-Trial Conference was held on January 17, 2019[14]. On April 11, 2019, the Court issued the Pre-Trial Order[15] thereby terminating the pre-trial.

Upon motion[16] of petitioner, the Court commissioned Ms. Ma. Theresa R. Dela Roca, as Independent Certified Public Accountant (ICPA), on April 11, 2019.[17]

During trial, petitioner presented testimonial and documentary evidence. It presented the following witnesses: Ms. Jennilyn U. Gaanan,[18] petitioner's Director, Treasurer and Chief Financial Officer; and Ms. Ma. Theresa R. Dela Roca,[19] the Court-commissioned ICPA.

Petitioner's Formal Offer of Documentary Exhibits[20] was filed through registered mail on October 25, 2019. Petitioner's exhibits were admitted in evidence in the Resolution[21] dated February 26, 2020,

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[9] CTA Docket vol. I, p. 12.
[10] CTA Docket vol. V, p. 2299.
[11] CTA Docket vol. V, pp. 2300-2305.
[12] CTA Docket vol. V, pp. 2821-2823.
[13] CTA Docket vol. V, pp. 2824-2856.
[14] CTA Docket vol. V, pop. 2872-2874.
[15] CTA Docket vol. V, pp. 3081-3094.
[16] CTA Docket vol. V, pp. 2861-2865.
[17] CTA Docket vol. V, pp. 3072-3077.
[18] Exhibit "P-93", Judicial Affidavit of Jennilyn U. Gaanan, CTA Docket vol. V, pop. 2882-2905; and Minutes of Hearing dated May 21, 2019, CTA Docket vol. VI, pp. 3122-3123.
[19] Exhibits "P-90" and 'P-92", CTA Docket vols. V and VI, pp. 3053-3059 and 3355-3372; and Minutes of Hearing dated September 3, 2019, CTA Docket vol. VI, pp. 3384-3388.
[20] CTA Docket vol. VI, pp. 3422-3439.
[21] CTA Docket vol. VI, pp.3603-3607.

except those exhibits the originals of which were not presented by petitioner for comparison, were not found in the records, and were not identified.

During the hearing on September 3, 2019, respondent manifested that he has no evidence to present.[22]

Petitioner filed its Memorandum[23] on July 1, 2020, while respondent failed to file his memorandum despite due notice.[24] The case was submitted for decision on July 22, 2020.[25]

THE ISSUE

The parties stipulated the following issue[26] for resolution:

"Whether petitioner is entitled to a refund of its alleged input VAT attributable or allocated to zero-rated sales made during the TY 2016 in the aggregate amount of ₱5,897,917.11."

PARTIES' ARGUMENTS

Petitioner argues that: (i) it is entitled to a refund of input VAT attributable to zero-rated sales made in TY 2016; (ii) under Section 106(A)(2)(a)(5) and 108(B)(3) of the NIRC of 1997, as amended, sales by a VAT-registered taxpayer to enterprises registered with the Philippine Economic Zone Authority (PEZA) or the Board of Investments (BOI) are subject to zero-rated VAT; (iii) it has complied with the requirements for a claim for VAT refund under Section 112(A) of the NIRC of 1997, as amended; (iv) the supporting documents submitted by petitioner for its administrative claim for refund are deemed complete.

On the other hand, respondent in his Answer counter-argues that: (i) petitioner's claim for tax refund has no basis since its request was denied for petitioner's failure to submit the documents required in RMO No. 54-2014; (ii) petitioner failed to comply with the invoicing and accounting compliance required by the NIRC of 1997, as amended; and, (iii) the Financial Statements of petitioner did not show that it recorded nor earmarked the alleged unutilized input taxes that is the

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22 CTA Docket vol. VI, pp. 3391-3392.
23 CTA Docket vol. VI, pp. 3609-3639.
24 CTA Docket vol. VI, p. 3608.
25 CTA Docket vol. VI, 3645.
26 Issue, Pre-Trial Order, CTA Docket vol. V, p. 3082.

subject of the present claim; and, (iv) the claimant has the burden of proof to establish the factual basis of the claim for tax credit or refund since tax refunds are in the nature of tax exemptions which are construed *strictissimi juris* against the taxpayer and liberally in favor of the government.

THE COURT'S RULING

Petitioner anchors its claim for refund on Section 112(A), in relation to Section 112(C), of the NIRC of 1997, as amended by R.A. No. 10963[27] [otherwise known as the Tax Reform for Acceleration and Inclusion Act (TRAIN law)], *viz.*:

> "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 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.
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> xxx xxx xxx
>
> (C) *Period within which Refund of Input Taxes shall be Made.* – In proper cases, the Commissioner shall grant a refund for creditable input taxes within ninety (90) days from the date of submission of the official receipts or invoices and other documents in support of the application filed in accordance with Subsections (A) and (B) hereof: *Provided*, That should the Commissioner find that the

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[27] An Act Amending Sections 5, 6, 24, 25, 27, 31, 32, 33, 34, 51, 52, 56, 57, 58, 74, 79, 84, 86, 90, 91, 97, 99, 100, 101, 106, 107, 108, 109, 110, 112, 114, 116, 127, 128, 129, 145, 148, 149, 151, 155, 171, 174, 175, 177, 178, 179, 180, 181, 182, 183, 186, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 232, 236, 237, 249, 254, 264, 269, AND 288; Creating New Sections 51-A, 148-A, 150-A, 150-B, 237-A, 264-A, 264-B, and 265-A; and Repealing Sections 35, 62, and 89; All Under Republic Act No. 8424, Otherwise Known as the National Internal Revenue Code of 1997, as Amended, and for Other Purposes.

> grant of refund is not proper, the Commissioner must state in writing the legal and factual basis for the denial.
>
> In case of full or partial denial of the claim for tax refund, the taxpayer affected may, within thirty (30) days from the receipt of the decision denying the claim, appeal the decision with the Court of Tax Appeals: *Provided, however*, That failure on the part of any official, agent, or employee of the BIR to act on the application within the ninety (90)-day period shall be punishable under Section 269 of this Code."

Based on the aforequoted provisions of law, a claimant must satisfy the following requisites in order to be entitled to a refund or tax credit of unutilized input VAT attributable to zero-rated sales:

1. the taxpayer-claimant must be VAT-registered;

2. the claim was filed within the prescribed periods both in the administrative and judicial levels;

3. there must be zero-rated or effectively zero-rated sales;

4. input taxes were incurred or paid;

5. such input taxes are attributable to zero-rated or effectively zero-rated sales; and,

6. said input taxes were not applied against any output VAT liability.

First Requisite: Petitioner is a VAT-registered entity

Petitioner has proven its compliance with the first requisite through its BIR Certificate of Registration which shows that it is a VAT-registered taxpayer with TIN No. 008-042-655-000.[28]

Second Requisite: Petitioner's administrative and judicial claims for refund were timely filed

Anent petitioner's administrative claim, Section 112 (A) of the NIRC of 1997, as amended, specifically requires that the taxpayer's

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[28] Exhibit "P-2", CTA Docket vol. VI, p. 3442.

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application for refund or issuance of TCC of unutilized and/or excess input VAT arising from its domestic purchases of services and importation of goods other than capital goods, which are attributable to its zero-rated sales, must be made within two (2) years after the close of the taxable quarter when the sales were made.

Petitioner's claim for refund or issuance of TCC covers the four (4) quarters of TY 2016 which closed on March 31, 2016, June 30, 2016, September 30, 2016 and December 31, 2016, respectively. Thus, it had two (2) years from the said dates or until March 31, 2018, June 30, 2018, September 30, 2018 and December 31, 2018, respectively, within which to file its administrative claim for the quarters concerned. Thus, the filing of the administrative claim for refund or tax credit for the four quarters of TY 2016 with the BIR, on April 2, 2018, fell within the respective two-year prescriptive period. As shown below, petitioner timely filed its administrative claim for the four (4) quarters of TY 2016:

<table>
<tr><th>Taxable Quarter
(TY 2016)</th><th>Quarter End</th><th>Last day of filing Administrative Claim for Refund</th><th>Date of Filing of Administrative Claim for Refund</th></tr>
<tr><td>1st Quarter</td><td>March 31, 2016</td><td>April 2, 2018[29]</td><td rowspan="4">April 2, 2018</td></tr>
<tr><td>2nd Quarter</td><td>June 30, 2016</td><td>June 30, 2018</td></tr>
<tr><td>3rd Quarter</td><td>September 30, 2016</td><td>September 30, 2018</td></tr>
<tr><td>4th Quarter</td><td>December 31, 2016</td><td>December 31, 2018</td></tr>
</table>

Anent petitioner's judicial claim for refund or issuance of TCC, Section 11 of Republic Act No. (RA) 1125,[30] as amended by RA No. 9282,[31] provides the period of limitation within which to file an appeal before this Court, *viz.*:

> "SEC. 11. Who May Appeal; Mode of Appeal; Effect of Appeal. -Any party adversely affected by a decision, ruling or inaction of the Commissioner of Internal Revenue, the Commissioner of Customs, the Secretary of Finance, the Secretary of Trade and Industry or the Secretary of Agriculture or the Central Board of Assessment Appeals or the Regional Trial Courts may file an appeal with the CTA within thirty (30) days after the receipt of such decision or ruling or after the

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[29] March 31, 2018 fell on a Saturday. April 2, 2018 is the next working day.
[30] An Act Creating the Court of Tax Appeals.
[31] An Act Expanding the Jurisdiction of the Court of Tax Appeals (CTA), Elevating Its Rank to the Level of a Collegiate Court with Special Jurisdiction and Enlarging its Membership Amending for the Purpose Certain Sections of Republic Act No. 1125, as amended, otherwise known as the law creating the Court of Tax Appeals, and for Other Purposes.

> expiration of the period fixed by law for action as referred to in Section 7(a)(2) herein.
>
> Appeal should be made by filing a petition for review under a procedure analogous to that provided for under Rule 42 of the 1997 Rules of Civil Procedure with the CTA within thirty (30) days from the receipt of the decision or ruling or in the case of inaction as herein provided, from the expiration of the period fixed by law to act thereon. xxx"

As aforestated, petitioner filed its administrative claim for refund or issuance of TCC representing its excess and/or unutilized input VAT for TY 2016 in the amount of ₱5,897,917.11 on April 2, 2018. Within the 90-day period to act on petitioner's administrative claim for refund, the CIR denied petitioner's administrative claim in a Letter dated April 10, 2018.

Since petitioner received the aforesaid Letter on April 12, 2018, petitioner had thirty (30) days from said date or until May 12, 2018 within which to appeal to the CTA. Considering, however that May 12, 2018 fell on a Saturday and May 14, 2018 was declared as a non-working holiday, petitioner had until May 15, 2018, the next working day, within which to file its judicial claim for refund. The Petition for Review filed on May 15, 2018 was therefore filed within the reglementary period to appeal. Thus, the Court has jurisdiction to take cognizance of the Petition for Review.

Third Requisite: Petitioner had zero-rated sales during the subject period in the amount of ₱62,449,305.68

<u>Sales of Goods and Services to Entities Registered with PEZA and BOI whose products are 100% exported</u>

Petitioner maintains that its sales of goods and services to entities registered with PEZA and BOI during the period October 1, 2015 to March 31, 2016 are subject to zero percent (0%) VAT, pursuant to Sections 106(A)(2)(a)(3), (5) and (c) and 108(B)(3) of the NIRC of 1997, as amended.

The pertinent provisions of Sections 106(A)(2)(a)(3), (5) and (c) and 108(B)(3) of the NIRC of 1997, as amended, state:

"**SEC. 106**. *Value-Added Tax on Sale of Goods or Properties*.

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(A) *Rate and Base of Tax* - xxx

xxx xxx xxx

(2) The following sales by VAT-registered persons shall be subject to zero percent (0%) rate:

(a) *Export Sales*.- The term **'export sales'** means:

xxx xxx xxx

(3) Sale of raw materials or packaging materials to export oriented enterprise whose export sales exceed seventy percent (70%) of total annual production;

xxx xxx xxx

(5) **Those considered export sales under** Executive Order No. 226, otherwise known as the Omnibus Investment Code of 1987, and **other special laws**.

xxx xxx xxx

(1) **Sales to persons or entities whose exemption under special laws** or international agreements to which the Philippines is a signatory effectively subjects such sales to zero rate." (*Boldfacing supplied*)

"**SEC. 108**. *Value-added Tax on Sale of Services and Use or Lease of Properties*. –

(A) *Rate and Base of Tax*. –

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:

xxx xxx xxx

(3) **Services rendered to persons or entities whose exemption under special laws** or international agreements to which the Philippines is a signatory effectively subjects the supply of such services to zero percent (0%) rate;" (*Boldfacing supplied*)

Relative thereto, Sections 4.106-5 and 4.108-5 of Revenue Regulations (RR) No. 16-2005, as amended by RR No. 04-07, also provide:

"**SEC. 4.106-5**. ***Zero-Rated Sales of Goods or Properties***. - xxx

The following sales by VAT-registered persons shall be subject to zero percent (0%) rate:

(a) Export sales.- 'Export Sales' shall mean:

xxx xxx xxx

(5) Transactions considered export sales under Executive Order No. 226, otherwise known as the Omnibus Investments Code of 1987, and other special laws.

'***Considered export sales under Executive Order No. 226***' shall mean the Philippine port F.O.B. value determined from invoices, bills of lading, inward letters of credit, landing certificates, and other commercial documents, of export products exported directly by a registered export producer, or the net selling price of export products sold by a registered export producer to another export producer, or to an export trader that subsequently exports the same; Provided, That sales of export products to another producer or to an export trader shall only be deemed export sales when actually exported by the latter, as evidenced by landing certificates or similar commercial documents; Provided, further, That pursuant to EO 226 and other special laws, even without actual exportation, the following shall be considered constructively exported: (1) sales to bonded manufacturing warehouses of export-oriented manufacturers; **(2) sales to export processing zones pursuant to Republic Act (RA) Nos. 7916, as amended, 7903, 7922 and other similar export processing zones; (3) sale to enterprises duly registered and accredited with the Subic Bay Metropolitan Authority pursuant to RA 7227;** (4) sales to registered export traders operating bonded trading warehouses supplying raw materials in the manufacture of export products under guidelines to be set by the Board in consultation with the Bureau of Internal Revenue (BIR) and the Bureau of Customs (BOC); (5) sales to diplomatic missions and other agencies and/or instrumentalities granted tax immunities, of locally manufactured, assembled or repacked products whether paid for in foreign currency or not.

For purposes of zero-rating, the export sales of registered export traders shall include commission income. The exportation of goods on consignment shall not be deemed export sales until the export products consigned are in fact sold by the consignee: and *Provided, finally*, **that sales of goods, properties or services made by a VAT-registered supplier to a BOI-registered manufacturer/ producer whose products are 100% exported are considered export sales**. A certification to this effect must be issued by the

Board of Investment (BOI) which shall be good for one year unless subsequently re-issued by the BOI.

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(b) 'Sales to Persons or Entities Deemed Tax-exempt under Special Law or International Agreement' - Sales of goods or property to persons or entities who are tax-exempt under special laws, e.g. **sales to enterprises duly registered and accredited with the Subic Bay Metropolitan Authority (SBMA) pursuant to R.A. No. 7227, sales to enterprises duly registered and accredited with the Philippine Economic Zone Authority (PEZA)** or international agreements to which the Philippines is signatory, such as, Asian Development Bank (ADB), International Rice Research Institute (IRRI), etc., shall be effectively subject to VAT at zero-rate." (*Boldfacing supplied*)

"**SEC. 4.108-5.** ***Zero-Rated Sale of Services***. -

xxx xxx xxx

(b) Transactions Subject to Zero Percent (0%) VAT Rate.- The following services performed in the Philippines by a VAT-registered person shall be subject to zero percent (0%) VAT rate:

xxx xxx xxx

(3) **Services rendered to persons or entities whose exemption under special laws** or international agreements to which the Philippines is a signatory effectively subjects the supply of such services to zero percent (0%) rate;" (*Boldfacing supplied*)

RA No. 7916, as amended by RA No. 8748, otherwise known as "'The Special Economic Zone Act of 1995", provides for the creation of the PEZA and treatment of special economic zones (Ecozones) as separate customs territory, to wit:

"REPUBLIC ACT NO. 7916 (AS AMENDED BY REPUBLIC ACT NO. 8748)

AN ACT PROVIDING FOR THE LEGAL FRAMEWORK AND MECHANISMS FOR THE CREATION, OPERATION, ADMINISTRATION, AND COORDINATION OF SPECIAL ECONOMIC ZONES IN THE PHILIPPINES, CREATING FOR THIS PURPOSE, THE PHILIPPINE ECONOMIC ZONE AUTHORITY (PEZA) AND FOR OTHER PURPOSES.

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SEC. 8. *ECOZONE to be Operated and Managed as Separate Customs Territory*.- **The ECOZONE shall be managed and operated by the PEZA as separate customs territory**. The PEZA is hereby vested with the authority to issue certificates of origin

> for products manufactured or processed in each ECOZONE in accordance with the prevailing rules of origin, and the pertinent regulations of the Department of Trade and Industry and/or the Department of Finance.
>
> xxx xxx xxx
>
> SEC. 24. *Exemption form National and Local Taxes*. - Except for real property taxes on land owned by developers, no taxes, local and national, shall be imposed on business establishments operating within the ECOZONE. xxx" (*Boldfacing supplied*)

Since an Ecozone is treated as a foreign territory by legal fiction, sales of goods and services made by a VAT-registered person in the Philippine customs territory to an entity registered and operating within an Ecozone are considered exports to a foreign country subject to 0% VAT. This was elucidated by the Supreme Court in *Commissioner of Internal Revenue vs. Toshiba Information Equipment (Phils.), Inc.*,[32] to wit:

> "This Court agrees, however, that PEZA-registered enterprises, which would necessarily be located within ECOZONES, are VAT-exempt entities, not because of Section 24 of Rep. Act No. 7916, as amended, which imposes the five percent (5%) preferential tax rate on gross income of PEZA-registered enterprises, in lieu of all taxes; but, rather, because of Section 8 of the same statute which establishes the fiction that ECOZONES are foreign territory.
>
> xxx An ECOZONE or a Special Economic Zone has been described as-
>
> ... [S]elected areas with highly developed or which have the potential to be developed into agroindustrial, industrial, tourist, recreational, commercial, banking, investment and financial centers whose metes and bounds are fixed or delimited by Presidential Proclamations. An ECOZONE may contain any or all of the following: industrial estates (IEs), export processing zones (EPZs), free trade zones and tourist/recreational centers.
>
> The national territory of the Philippines outside of the proclaimed borders of the ECOZONE shall be referred to as the Customs Territory.
>
> Section 8 of Rep. Act No. 7916, as amended, mandates that the PEZA shall manage and operate the ECOZONES as a separate customs territory; thus, creating the fiction that the ECOZONE is a foreign territory. As a result, sales made by a supplier in the Customs Territory to a purchaser in the ECOZONE shall be treated as an exportation from the Customs Territory. Conversely, sales made by a supplier from the ECOZONE to a purchaser in the Customs

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[32] G.R. No. 150154, August 9, 2005.

> Territory shall be considered as an importation into the Customs Territory.
>
> Given the preceding discussion, what would be the VAT implication of sales made by a supplier from the Customs Territory to an ECOZONE enterprise?
>
> The Philippine VAT system adheres to the Cross Border Doctrine, according to which, no VAT shall be imposed to form part of the cost of goods destined for consumption outside of the territorial border of the taxing authority. Hence, actual export of goods and services from the Philippines to a foreign country must be free of VAT; while, those destined for use or consumption within the Philippines shall be imposed with ten percent (10%) VAT."

Meanwhile, pursuant to RMO No. 9-2000,[33] sales of goods, properties or services made by a VAT-registered supplier to a BOI registered entity whose products are 100% exported shall be accorded automatic VAT zero-rating, subject to the reportorial and documentary requirements prescribed under Section 3 thereof, thus:

> "SECTION.3. *Sales of goods, properties or services made by a VAT registered supplier to a BOI registered exporter shall be accorded automatic zero-rating, i.e., without necessity of applying for and securing approval of the application for zero-rating as provided in Revenue Regulations No.7-95, subject to the following conditions*:
>
> (1) The supplier must be VAT-registered;
>
> (2) The BOI-registered buyer must likewise be VAT-registered;
>
> (3) The buyer must be a BOI-registered manufacturer/producer whose products are 100% exported. For this purpose, a Certification to this effect must be issued by the Board of Investments (BOI) and which certification shall be good for one year unless subsequently re-issued by the BOI;
>
> (4) **The BOI-registered buyer shall furnish each of its suppliers with a copy of the aforementioned BOI Certification which shall serve as authority for the supplier to avail of the benefits of zero-rating for its sales to said BOI-registered buyers**; and
>
> (5) The VAT-registered supplier shall issue for each sale to BOI-registered manufacturer/exporters a duly registered VAT invoice with the words 'zero-rated' stamped thereon in compliance with Sec.4.108-1(5) of Revenue Regulations No. 7-95. The supplier must likewise indicate in the VAT-invoice the name and BOI-registry number of the buyer." (*Boldfacing supplied*)

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[33] SUBJECT: Tax Treatment of Sales of Goods, Properties and Services Made by VAT-registered Suppliers to BOI-registered Manufacturers-Exporters With 100% Export Sales.

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Based on the foregoing, sales of goods and services by a VAT-registered taxpayer, such as petitioner, to entities located in the ECOZONEs, as well as to BOI-registered entities whose products are 100% exported, are considered "export sales" subject to VAT zero-rating pursuant to Sections 106(A)(2)(a)(3), (5) and (c) and 108(8)(3) of the NIRC of 1997, as amended, and as implemented by Sections 4.106-5 and 4.108-5 of RR No. 16-05, as amended.

To prove that its clients are duly registered with the PEZA and the BOI, petitioner submitted various certifications issued by the said agencies. Listed below are the clients of petitioner registered with the PEZA and the BOI:

Clients	Certifying Body	Proof of VAT Zero-rating	Exhibit	Certification Period
FCF MINERALS CORPORATION	BOI	Confirmation Letter from BOI dated April 29, 2016; Certificate No. 2016-011	P-28 to P-28.1	January 1 to December 31, 2016
CORAL BAY NICKEL CORPORATION (CBNC)	PEZA	Certificate No. 2016-0856	P-29	2016
TAGANITO HPAL NICKEL CORPORATION (THPAL)	PEZA	Certificate No. 2016-0534	P-30	2016

Upon review of the certifications issued by the PEZA and the BOI, the Court considers the sales of goods and services by petitioner to the above-listed clients subject to VAT zero-rating.

<u>Sales of Service to Non-resident Foreign Corporations (NRFCs)</u>

Petitioner alleges that out of its zero-rated sales aggregating in the amount of ₱83,178,005.10 for the four quarters of TY 2016, ₱3,309,019.20 pertains to sale of services to NRFCs, as follows:

Customers	3rd Quarter	4th Quarter	Total
Rema Tip Top Malaysia BHD PTY	₱ 1,023,663.08	-	₱ 1,023,663.08
Rema Tip Top Malaysia SDN BHD	-	2,285,356.12	2,285,356.12
Total	₱ 1,023,663.08	2,285,356.12	₱ 3,309,019.20

Section 108(B)(2) of the NIRC of 1997, as amended, provides:

"SEC. 108. *Value-added Tax on Sale of Services and Use or Lease of Properties.—*

(A) 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 non-resident 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)**; xxx" (*Boldfacing supplied*)

Certain essential elements must be present in order for a sale or supply of services to be subject to VAT rate of zero percent (0%) under Section 108(B)(2) of the NIRC of 1997, as amended, to wit:

1. The recipient of the services is a foreign corporation, and the said corporation is doing business outside the Philippines, or is a non-resident person not engaged in business who is outside the Philippines when the services are performed;[34]

2. The payment for such services should be in acceptable foreign currency accounted for in accordance with the BSP rules;[35]

3. The services fall under any of the categories under Section 108(B)(2)[36], or simply, the services rendered should be other than "processing, manufacturing or repacking goods";[37] and

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[34] *Sitel Philippines Corporation (Formerly Clientlogic Phils., Inc.) vs. Commissioner of Internal Revenue*, G.R. No. 201326, February 8, 2017
[35] *Commissioner of Internal Revenue vs. Burmeister and Wain Scandinavian Contractor Mindanao, Inc.*, G.R. No. 153205, January 22, 2007; *Commissioner of Internal Revenue vs. American Express International, Inc. (Philippine Branch)*, G.R. No. 152609, June 29, 2005
[36] *Commissioner of Internal Revenue vs. American Express International, Inc. (Philippine Branch), supra.*
[37] *Commissioner of Internal Revenue vs. Burmeister and Wain Scandinavian Contractor Mindanao, Inc., supra.*

4. The services must be performed in the Philippines by a VAT-registered person.[38]

To prove that its clients are NRFC for purposes of VAT zero-rating under Section 108(B)(2) of the NIRC of 1997, as amended, petitioner must establish that: (1) the client was established under the laws of a foreign country; and, (2) it is not engaged in trade or business in the Philippines. To be sure, there must be sufficient proof of both of these requirements to establish that the clients are foreign corporations AND are not doing business in the Philippines.[39]

Thus, petitioner must submit for each NRFC client, at the very least, both: (1) the SEC Certificate of Non-Registration of Corporation/Partnership; **AND** (2) Proof of Certificate/Articles of Foreign Incorporation/Association showing the state/province/country where the entity was organized.[40]

The SEC Certificate of Non-Registration shows that the foreign client is not engaged in trade or business in the Philippines. On the other hand, the Certificate/Articles of Foreign Incorporation/Association proves that the client was established under the laws of a foreign country. Together, these two (2) documents prove the two (2) requisites necessary to establish the NRFC status of a client.

Upon review of the records, it is shown that petitioner failed to present the two (2) required documents to prove the NRFC status of its foreign clients. Thus, the entire amount of ₱3,309,019.20 representing sales to alleged NRFCs, detailed below, shall be disallowed:

OR/SI	Exhibit	OR/SI Date	Customer	Amount
3rd Quarter				
OR 1032	P-4814	8/25/16	REMA TIP TOP MALAYSIA BHD PTY	₱ 506,653.13
OR 1042	P-247	9/23/16	REMA TIP TOP MALAYSIA BHD PTY	517,009.95
Subtotal - 3rd Quarter				1,023,663.08
4th Quarter				
OR 1045	P-267	10/21/16	REMA TIP TOP MALAYSIA SDN BHD	643,453.72
OR 1050	P-296	11/10/16	REMA TIP TOP MALAYSIA SDN BHD	705,561.54

[38] Section 108(B), NIRC of 1997, as amended.
[39] *Commissioner of Internal Revenue vs. Deutsche Knowledge Services Pte. Ltd.*, G.R. No. 234445, July 15, 2020.
[40] *Commissioner of Internal Revenue vs. CITCO International Support Services Limited-Philippine ROHQ*, CTA EB No. 2015, November 29, 2019.

OR 1055	P-308	12/22/16	REMA TIP TOP MALAYSIA SDN BHD	63,792.04
OR 1055	P-309	12/22/16	REMA TIP TOP MALAYSIA SDN BHD	250,782.37
OR 1053	P-310	12/16/16	REMA TIP TOP MALAYSIA SDN BHD	621,766.45
Subtotal - 4th Quarter				2,285,356.12
Total				**₱ 3,309,019.20**

Disallowed Zero-rated Sales

In its 1st, 2nd, 3rd and 4th Quarterly VAT Returns[41] for TY 2016, petitioner reported total sales of ₱97,802,307.14 which included zero-rated sales in the amount of ₱83,178,005.10, broken down as follows:

Sales	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total
VATable Sales	₱ 3,570,726.25	₱ 3,147,236.77	₱ 4,634,724.97	₱ 3,271,614.05	₱14,624,302.04
Zero-rated Sales	22,759,452.94	19,064,944.08	20,776,007.25	20,577,600.83	83,178,005.10
Total	**₱ 26,330,179.19**	**₱ 22,212,180.85**	**₱ 25,410,732.22**	**₱ 23,849,214.88**	**₱ 97,802,307.14**

The Court shall then examine whether the reported zero-rated sales of petitioner complied with the invoicing requirements under Sections 113(A)(1) and (2), (B)(1), (2)(c) and (3) of the NIRC of 1997, as amended, *viz*:

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

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

(1) A VAT invoice for every sale, barter or exchange of goods or properties; and

(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:

[41] Exhibit Nos. "P-8" to "P-11", CTA Docket vol. VI, pp. 3483-3491.

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; xxx"

The same requirements are provided for under Sections 4.113-1(A)(1) and (2), (8)(1) and (2)(c) of RR No. 16-2005, as follows:

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

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

(1) A VAT invoice for every sale, barter or exchange of goods or properties; and

(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; xxx"

Upon further evaluation, the Court finds that the reported zero-rated sales in the amount of ₱17,255,349.43 could not qualify for VAT zero-rating for petitioner's failure to comply with the invoicing requirements under the NIRC of 1997, as amended, and RR No. 16-2005, as follows:

OR/SI	OR/SI Date	Customer	Amount	Exhibit
1) Sale of services not supported by VAT OR				
1st Quarter				
CR 0033	1/11/16	TAGANITO HPAL NICKEL CORPORATION	₱ 615,887.20	P-337, P-4829
Subtotal - 1st Quarter			615,887.20	
Total - Sale of service not supported by VAT OR			615,887.20	
2) Sale of services supported by VAT OR wherein date, payor details or amounts are unreadable				
1st Quarter				
OR 1010	1/15/16	TAGANITO HPAL NICKEL CORPORATION	1,948,286.07	P-4796
SI 1094/SI 1093/SI 1092	2/20/16	TAGANITO HPAL NICKEL CORPORATION	4,976,751.35	P-134 to P-134-B
Subtotal - 1st Quarter			6,925,037.42	
2nd Quarter				
SI 1157	5/6/16	TAGANITO HPAL NICKEL CORPORATION	2,846,064.78	P-338
Subtotal - 2nd Quarter			2,846,064.78	
4th Quarter				
OR 1051	12/16/16	TAGANITO HPAL NICKEL CORPORATION	516,274.00	P-4827
OR 1051	12/16/16	TAGANITO HPAL NICKEL CORPORATION	2,808,076.00	P-4827
OR 1051	12/16/16	TAGANITO HPAL NICKEL CORPORATION	1,744,010.03	P-4827
OR 1051	12/16/16	TAGANITO HPAL NICKEL CORPORATION	1,800,000.00	P-4827
Subtotal - 4th Quarter			6,868,360.03	
Total - Sale of services supported by VAT OR wherein date, payor details or amounts are unreadable			16,639,462.23	
Total Zero-rated Sales Not Properly Substantiated			**₱ 17,255,349.43**	

Thus, the total disallowances on petitioner's reported total zero-rated sales per the Court's verification amounts ₱20,564,368.63, as shown hereunder:

Disallowances	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total
Sale of services to non-resident foreign client not qualified for VAT zero-rating under Sec. 108(B)(2) of the NIRC of 1997, as amended	-	-	₱1,023,663.08	₱2,285,356.12	₱ 3,309,019.20
Sale of service not supported by VAT OR	₱ 615,887.20	-	-	-	615,887.20
Sale of goods supported by VAT ORs but with unreadable details (date, payor details, or amount)	6,925,037.42	2,846,064.78	-	6,868,360.03	16,639,462.23
Total Disallowed Zero-rated Sales	**₱7,540,924.62**	**₱2,846,064.78**	**₱1,023,663.08**	**₱9,153,716.15**	**₱20,564,368.63**

In addition, the Court finds that the following amounts of zero-rated sales reported by petitioner were higher than the amounts reflected in the VAT invoices and official receipts, thus, the difference of ₱164,330.79 should likewise be disallowed:

SI/OR	SI/OR Date	Customer Name	Per SLS	Per VAT Invoice/Official Receipt	Variance	Exhibit
1st Quarter						
SI 1072	1/29/16	CORAL BAY NICKEL CORPORATION	₱ 44,625.46	₱ 44,625.28	₱ 0.18	P-101
SI 1095	2/22/16	CORAL BAY NICKEL CORPORATION	30,049.07	30,049.04	0.03	P-124
Subtotal - 1st Quarter			₱ 74,674.53	₱ 74,674.32	₱ 0.21	
2nd Quarter						
OR 1016	4/1/16	CORAL BAY NICKEL CORPORATION	₱ 1,535,533.74	₱ 1,535,533.73	0.01	P-4800
SI 1181	5/31/16	CORAL BAY NICKEL CORPORATION	46,788.32	46,788.00	0.32	P-166
Subtotal - 2nd Quarter			₱ 1,582,322.06	₱ 1,582,321.73	₱ 0.33	
3rd Quarter						
OR 1030	8/12/16	TAGANITO HPAL NICKEL CORPORATION	₱ 1,816,513.19			P-4811
OR 1030	8/12/16	TAGANITO HPAL NICKEL CORPORATION	2,500,000.00	₱ 4,155,182.94	₱161,330.25	P-4811
OR 1031	8/28/16	TAGANITO HPAL NICKEL CORPORATION	60,000.00	57,000.00	3,000.00	P-4812
Subtotal - 3rd Quarter			₱ 4,376,513.19	₱ 4,212,182.94	₱164,330.25	
Total Excess Zero-rated Sale Claimed					**₱164,330.79**	

In sum, out of the total reported zero-rated sales of ₱83,178,005.10, only the amount of ₱62,449,305.68 shall be considered as valid zero-rated sales for the four quarters of TY 2016, detailed as follows:

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total
Zero-rated Sales	₱ 22,759,452.94	₱ 19,064,944.08	₱ 20,776,007.25	₱ 20,577,600.83	₱ 83,178,005.10
Less: Disallowances	7,540,924.62	2,846,064.78	1,023,663.08	9,153,716.15	20,564,368.63
Excess Claims	0.21	0.33	164,330.25	-	164,330.79
Total Valid Zero-rated Sales	**₱ 15,218,528.11**	**₱ 16,218,878.97**	**₱ 19,588,013.92**	**₱ 11,423,884.68**	**₱ 62,449,305.68**

on

Fourth and Fifth Requisites: Petitioner incurred/paid input taxes attributable to zero-rated sales in the total amount of ₱291,262.93

Having found that petitioner had valid VAT zero-rated sales in the total amount of ₱62,449,305.68 for the four quarters of TY 2016, the Court shall determine whether petitioner complied with the requisites pertaining to the input VAT being claimed for refund or issuance of a tax credit certificate.

For the four quarters of TY 2016, petitioner claims a total amount of ₱6,762,558.04 allowable input VAT arising from its domestic purchases and importation of goods other than capital goods, and domestic purchases of services. Summarized below are petitioner's current domestic purchases and importation of goods other than capital goods and domestic purchases of services in the total amount of ₱56,354,650.42, and the corresponding input taxes for the four quarters of TY 2016 in the total amount of ₱6,762,558.04:

Gross Amount of Purchases and Importations	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total
Domestic Purchases of Goods Other Capital Goods (Line 21E)	₱ 114,574.85	₱ 98,156.47	₱ 87,326.02	₱ 287,282.26	₱ 587,339.60
Importation of Goods Other than Capital Goods (Line 21G)	759,331.16	1,323,256.87	395,878.16	946,617.16	3,425,083.35
Domestic Purchase of Services (Line 21I)	318,512.62	484,343.63	892,450.48	1,497,611.51	3,192,918.24
Others (Line 21N)	9,965,604.54	15,473,118.03	6,709,880.34	17,000,706.32	49,149,309.23
Total Current Purchases/Importations	₱11,158,023.17	₱17,378,875.00	₱8,085,535.00	₱19,732,217.25	₱56,354,650.42

Input Tax on Purchases and Importations	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total
Domestic Purchases of Goods Other Capital Goods (Line 21F)	₱ 13,748.98	₱ 11,778.78	₱ 10,479.12	₱ 34,473.87	₱ 70,480.75
Importation of Goods Other than Capital Goods (Line 21H)	91,119.74	158,790.82	47,505.38	113,594.06	411,010.00
Domestic Purchase of Services (Line 21J)	38,221.51	58,121.24	107,094.06	179,713.38	383,150.19
Others (Line 21O)[42]	1,195,872.54	1,856,774.16	805,185.64	2,040,084.76	5,897,917.10
Total Current Input Tax	₱ 1,338,962.77	₱ 2,085,465.00	₱ 970,264.20	₱ 2,367,866.07	₱6,762,558.04

Petitioner claims that out of the total domestic purchases and importation of goods other than capital goods, and domestic purchases of services in the total amount of ₱56,354,650.42, with corresponding input VAT in the amount of ₱6,762,558.04, domestic purchases and

[42] No figures reported in the Quarterly VAT Returns of TY 2016. Amounts were computed by the Court.

importations as reflected in "Others (Line 21N/O)" of the Quarterly VAT Returns of TY 2016 in the total amount of ₱49,149,309.23, with corresponding input VAT amount of ₱5,897,917.10 should be granted for refund. As validated by the Court-commissioned Independent Certified Public Accountant (ICPA) in the Amended ICPA Report,[43] petitioner segregated the purchases of goods and services and importations directly attributable and allocable to zero-rated sales in the portion "Others (Line 21N/O)" in the Quarterly VAT Returns of TY 2016.

Domestic purchases and importation of goods other than capital goods, and domestic purchase of services in the total amount of ₱49,149,309.23, with corresponding input VAT of ₱5,897,917.10 as reported in "Others (Line 21N/O)" in the Quarterly VAT Returns of TY 2016 was determined by petitioner[44] and the ICPA[45] to be composed of purchases of goods and services **directly attributable** to zero-rated sales, and purchases of goods and services **allocable** to zero-rated sales, as follows:

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total
Purchases allocated to Zero-rated Sales	₱ 9,592,319.46	₱15,168,639.11	₱ 6,215,096.42	₱16,523,644.49	₱47,499,699.48
Purchases Directly Attributable to Zero-rated Sales	373,285.08	304,478.92	494,783.92	477,061.83	1,649,609.75
Total Purchases Allocated and Directly Attributable to Zero-rated Sales (Line 21N of Quarterly VAT Return)	**₱ 9,965,604.54**	**₱15,473,118.03**	**₱ 6,709,880.34**	**₱17,000,706.32**	**₱49,149,309.23**

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total
Input VAT allocated to Zero-rated Sales	₱ 1,151,078.34	₱ 1,820,236.69	₱ 745,811.57	₱ 1,982,837.34	₱ 5,699,963.94
Input VAT Directly Attributable to Zero-rated Sales	44,794.21	36,537.47	59,374.07	57,247.42	197,953.17
Total Input VAT Allocated and Directly Attributable to Zero-rated Sales	**₱ 1,195,872.54**	**₱ 1,856,774.16**	**₱ 805,185.64**	**₱ 2,040,084.76**	**₱ 5,897,917.11**

Upon verification by the Court, it is found that petitioner failed to prove that certain domestic purchases and importation of goods other than capital goods, and domestic purchase of services in the total amount of ₱1,649,609.75 were **directly attributable** to zero-rated sales made during the four quarters of TY 2016. Thus, the Court is constrained to consider the whole amount of ₱56,354,650.42 as petitioner's total domestic purchases and importation of goods other than capital goods, and domestic purchase of services, subject to **proportional allocation** between VATable, VAT-exempt and VAT

[43] Exhibit "P-91", CTA Docket vol. VI, pp. 3213-3214.
[44] Petition for Review, CTA Docket vol. I, pp. 22-23.
[45] Tables XIV-A to XIV-E, Exhibit "P-91", CTA Docket vol. VI, pp. 3226-3230.

zero-rated sales pursuant to Section 112(A) of the NIRC of 1997, as amended.

Of the total amount of ₱56,354,650.42 subject to allocation, the ICPA was only able to vouch domestic purchases and importation of goods other than capital goods, and domestic purchases of services in the total amount of ₱51,947,439.73, as shown below:[46]

Domestic Purchases	₱ 22,189,548.08
Importations	29,757,891.65
Total Vouched Purchases and Importations	**₱ 51,947,439.73**
Add: Unaccounted Purchases	4,407,210.69
Total Reported Domestic Purchases and Importations	**₱ 56,354,650.42**

Therefore, the unaccounted purchases amounting to ₱4,407,210.69, which were not supported with VAT official receipts or invoices, shall not be considered in the computation of petitioner's valid input taxes for the period for failure to substantiate the same. The input tax arising from said unsubstantiated purchases amounting to ₱528,865.28 shall thus be disallowed.[47]

Of the total vouched purchases and importations made by petitioner in the amount of ₱51,947,439.73, the amount of ₱6,318,520.73 arising from domestic purchases of goods other than capital goods and domestic purchase of services were not properly substantiated, and which shall be disallowed by the Court for failure to meet the invoicing requirements under Sections 110(A), 113(A) and (B), and 237 of the NIRC of 1997, as amended, in relation to Sections 4.110-1, 4.110-2, 4.110-8, and 4.113-1 of RR No. 16-05, as amended. Thus, per the ICPA Report, the total domestic purchases and importation of goods other than capital goods, and domestic purchase of services which were validly substantiated amounted to ₱45,628,919.00, as follows:[48]

Domestic Purchases	₱ 15,871,027.35
Importations	29,757,891.65
Total Substantiated Domestic Purchases and Importations	**₱ 45,628,919.00**

Finding the exceptions noted by the ICPA reasonable and appropriate, the Court shall further disallow input VAT in the total amount of ₱758,196.27 sourced from domestic purchases and

[46] Exhibit "P-91", CTA Docket vol. VI, p. 3223.
[47] ₱4,407,210.69 (VATable purchase) x 12% = ₱528,865.28.
[48] Tables XIV-A to XIV-E, Exhibit "P-91", CTA Docket vol. VI, pp. 3226-3230.

importation of goods other than capital goods, and domestic purchase of services which failed to follow the invoicing requirements required by law and regulations, detailed as follows:[49]

Period	Input VAT per ICPA Findings		
	Not Substantiated	Substantiated	Total
1st Quarter	₱ 177,327.57	₱ 164,440.38	₱ 341,767.95
2nd Quarter	150,499.55	280,240.64	430,740.19
3rd Quarter	189,997.23	411,800.52	601,797.75
4th Quarter	79,414.02	1,048,041.65	1,127,455.67
Out of Period	160,957.90	-	160,957.90
Total	**₱ 758,196.27**	**₱ 1,904,523.19**	**₱ 2,662,719.46**

Moreover, upon further verification, the Court shall disallow the following input VAT on domestic purchases of goods other than capital goods, and domestic purchases of services, in the total amount of ₱1,562,076.91, for failure to comply with invoicing requirements:

Date	Exhibit No.	Payee	Amount
1) Input VAT on domestic purchase of goods/services supported by VAT Invoice/OR where amount of VATable sale is not presented or incorrectly presented			
1st Quarter			
3/8/2016	P-370	GERRY'S GRILL	₱ 249.75
1/22/2016	P-1452	CLYBROS MERCHANDISING INC	342.27
1/29/2016	P-1681	PARKWAY	105.71
2/20/2016	P-1692	SAINT PETER DIAGNOSTIC AND LABORATORY	85.71
2/20/2016	P-1756	SAINT PETER DIAGNOSTIC AND LABORATORY	85.71
3/11/2016	P-2454	MOTHERS CHOICE SURIGAO INC	304.71
3/4/2016	P-2468	PRUDENTIAL CUSTOMS BROKERAGE SERVICES INC.	516.11
3/18/2016	P-3917	PRESAM SHELL SERVICE CENTER	99.49
Subtotal - 1st Quarter			**1,689.97**
2nd Quarter			
5/23/2016	P-2329	SIMPLEX INDUSTRIAL CORPORATION	85.29
Subtotal - 2nd Quarter			**85.29**
3rd Quarter			
7/23/2016	P-1969	ULING ROASTERS	77.14
7/12/2016	P-1975	ULING ROASTERS	57.86
7/15/2016	P-1986	ULING ROASTERS	77.14
7/8/2016	P-2003	RIVERSIDE PARTS MASTER, INC.	120.54
7/11/2016	P-2018	K3CP CORPORATION	74.89
7/1/2016	P-2024	ULING ROASTERS	77.14
7/8/2016	P-2043	ULING ROASTERS	77.14
7/8/2016	P-2047	PARKWAY	16.56
9/29/2016	P-2628	LAVENDER SHELL SERVICE STATION AND GEN. MERCHADISE	18

[49] Exhibit "P-91-E", CTA Docket vol. VI, pp. 3246-3278.

9/27/2016	P-2657	BOUNTY AGRO VENTURES INC	158.57
8/7/2016	P-3018	N & J HYDRAULIC HOSE INDUSTRIAL & HEAVY PARTS	77.14
8/9/2016	P-3726	JCN COPY & PRINTSHOP	37.5
Subtotal - 3rd Quarter			**869.62**
4th Quarter			
11/4/2016	P-1510	PINKY YU	214.29
10/14/2016	P-1535	AKROASIA PETRON SERVICE STATION	107.14
12/20/2016	P-1864	DY TEBAN HARDWARE AND AUTO SUPPLY	96.43
11/15/2016	P-4251	BALIWAG LECHON MANOK INC	41.79
10/7/2016	P-4370	STAREV MOTORIST SERVICE CENTER	10.71
Subtotal - 4th Quarter			**470.36**
Total - Input VAT on domestic purchase of goods/services supported by VAT Invoice/OR where amount of VATable sale is not presented			**₱ 3,115.24**
2) Input VAT on domestic purchase of goods/services supported by VAT Invoice/OR wherein the VAT amount is not separately/properly indicated			
1st Quarter			
2/15/2016	P-1131	CEBU GAZLAND ENTERPRISES	₱ 64.61
2/20/2016	P-1160	ROCO'S LECHON	321.43
1/22/2016	P-1238	COMTECH REFRIGERATION AND AIRCONDITIONING SERVICES	2,785.71
2/8/2016	P-1587	IRON CITY CALTEX STATION	101.79
2/19/2016	P-1744	COKALIONG SHIPPING LINES INC.	56.25
3/3/2016	P-3409	ESPRUTINGKLE GAS & SERVICE INC	11.25
Subtotal - 1st Quarter			**3,341.04**
2nd Quarter			
5/20/2016	P-649	GAC PHILIPPINES, INC.	41,896.80
5/20/2016	P-651	GAC PHILIPPINES, INC.	2,185.39
6/9/2016	P-1031	JETT CONSTRUCTION AND ELECTRICAL SUPPLY	11.25
4/14/2016	P-2803	MANDAUE TRADE ENTER CEBU	3.75
5/11/2016	P-3569	KIMLY MERCHANDISE	42.86
Subtotal - 2nd Quarter			**44,140.05**
3rd Quarter			
7/8/2016	P-671	GAC PHILIPPINES, INC.	2,383.23
8/12/2016	P-673	GAC PHILIPPINES, INC.	4,644.71
8/26/2016	P-766	JETT CONSTRUCTION AND ELECTRICAL SUPPLY	53.57
9/24/2016	P-2669	HONEYLEMON FOODS INC	12.11
Subtotal - 3rd Quarter			**7,093.62**
4th Quarter			
10/21/2016	P-612	TRIPLEPLAYHUB NETWORKS INC.	15,284.57
Subtotal - 4th Quarter			**15,284.57**
Total - Input VAT on domestic purchase of goods/services supported by VAT Invoice/OR wherein the VAT amount is not separately/properly indicated			**₱ 69,859.28**
3) Input VAT on domestic purchase of goods/services supported by VAT Invoice/OR wherein indicated TIN is incorrect, incomplete or unreadable			
4th Quarter			
10/7/2016	P-748	GLOBAL SECURITY SOLUTIONS, INC.	₱ 536.8
11/18/2016	P-1781	CITI HARDWARE BACOLOD INC	149.08
Subtotal - 4th Quarter			**685.88**
Total - Input VAT on domestic purchase of goods/services supported by VAT Invoice/OR wherein indicated TIN is incorrect, incomplete or unreadable			**₱ 685.88**

4) Input VAT on domestic purchase of goods/services supported by VAT Invoice/OR where the payor's name is incorrect, incomplete, or unreadable			
1st Quarter			
1/21/2016	P-744	RICHMONDE PLAZA CONDOMINIUM ASSOCIATION INC.	₱ 766.8
2/19/2016	P-661	GAC PHILIPPINES, INC.	1,356.26
2/2/2016	P-1073	GOODHOPE HARDWARE	38.04
2/5/2016	P-1086	GOODHOPE HARDWARE	19.29
2/8/2016	P-1096	ESPRUTINKLE GAS & SERVICES INC.	562.5
2/11/2016	P-1116	GOODHOPE HARDWARE	19.07
2/11/2016	P-1117	CEBU TRADECENTER INC.	35.25
2/12/2016	P-1126	GOODHOPE HARDWARE	306.43
2/13/2016	P-1127	ESPRUTINKLE GAS & SERVICES INC.	10.71
2/20/2016	P-1162	GOODHOPE HARDWARE	11.57
2/19/2016	P-1174	GOODHOPE HARDWARE	205.93
2/22/2016	P-1175	GOODHOPE HARDWARE	8.84
1/6/2016	P-1206	ESPRUTINGKLE GAS AND SERVICE INC	174.89
2/27/2016	P-1738	PHILIPPINE PORTS AUTHORITY	2.37
3/21/2016	P-2389	LAVENDER SHELL SERVICE STATION & GEN MEDSE.	139.24
3/22/2016	P-3352	K-BROTHERS LAYOUT & PRINT	37.5
2/24/2016	P-3437	DMC BUSA PRINTERS	514.29
2/26/2016	P-3450	GOODHOPE HARDWARE	192.86
2/28/2016	P-3458	ABACUS BOOK AND CARD CORP.	12.86
Subtotal - 1st Quarter			**4,414.70**
2nd Quarter			
6/27/2016	P-901	SANFORD MARKETING CORPORATION	121.71
6/27/2016	P-906	ABACUS BOOK AND CARD CORP	12.86
6/28/2016	P-909	ESPRUTINGKLE GAS & SERVICE INC	1,101.23
6/30/2016	P-915	PHILIPPINES INC	267.86
6/20/2016	P-985	STK ELECTRONICS	1.61
5/30/2016	P-1033	CEBU TRADEEENTER INC	3
6/14/2016	P-2510	D MICHAEL CO INDUSTRIAL SUPPLY CORP.	160.71
6/14/2016	P-2592	LAVENDER SHELL SERVICE STATION & GEN MEDSE.	191.81
6/7/2016	P-2612	HIRAM ENTERPRISES	241.71
6/24/2016	P-3553	PETRON	53.57
5/13/2016	P-3659	MAYAD LIFE OIL CORPORATION	107.14
Subtotal - 2nd Quarter			**2,263.21**
3rd Quarter			
8/27/2016	P-762	NEW VENTURES SHELL STATION	9.41
8/19/2016	P-801	ESPRUTINGKLE GAS & SERVICE INC	1,022.14
8/1/2016	P-817	ESPRUTINGKLE GAS & SERVICE INC	235.29
8/3/2016	P-825	PHILIPPINES INC	267.86
8/11/2016	P-832	SANFORD MARKETING CORPORATION	76.66
7/18/2016	P-862	PYEZA PARTS DEPOT INC	10.71
7/20/2016	P-864	GOODHOPE HARDWARE	8.57
7/11/2016	P-902	SANFORD MARKETING CORPORATION	43.37
7/29/2016	P-1924	B2Y`S AUTO SUPPLY AND GENERAL MERCHANDISE	217.5

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7/29/2016	P-1925	IRON CITY CALTEX STATION	261.96
7/29/2016	P-1943	TT & COMPANY, INC.	1,267.26
7/15/2016	P-1985	TT & COMPANY, INC.	1,091.24
7/1/2016	P-1993	CD-R KING GEN. MERCHANDISE	6.43
7/8/2016	P-2009	HIRAM ENTERPRISES	192.86
7/10/2016	P-2016	HONEYLEMON FOODS INC.	10.61
7/1/2016	P-2029	JOLLIBEE	16.07
7/8/2016	P-2049	PARKWAY	263.57
9/19/2016	P-2679	ULING ROASTERS	138.75
9/20/2016	P-2683	PIGAR TRADING	539.89
8/23/2016	P-2963	CLAVER GENERAL MERCHANDISE	24
8/12/2016	P-2987	TT & COMPANY, INC.	1,109.24
8/7/2016	P-2994	IRON CITY GROCERY	81.64
8/8/2016	P-3017	B2Y`S AUTO SUPPLY AND GENERAL MERCHANDISE	6.96
8/8/2016	P-3019	TRI-MIX ENTERPRISES	5.14
7/4/2016	P-3051	GRANDIOSA CORPORATION	110.25
9/2/2016	P-3180	NG KHAI DEVELOPMENT CORPORATION	246.43
9/7/2016	P-3196	ESPRUTINKLE GAS & SERVICES INC.	1,863.00
9/8/2016	P-3200	AEROPHONE ENTERPRISES & CO.	160.71
9/22/2016	P-3230	MANDAUE STAR OIL GAS & CONVENIENCE STORE	65.79
8/16/2016	P-3742	SUPERVALUE INC	22.45
7/21/2016	P-3829	SUPERVALUE INC	14.97
Subtotal - 3rd Quarter			**9,390.73**
4th Quarter			
10/10/2016	P-1524	D.Y.M TRADING GENERAL MERCHANDISE	64.3
10/15/2016	P-1539	REPHIL BASAK INC.	21.43
10/16/2016	P-1540	ESPRUTINGKLE GAS & SERVICE INC.	186.42
10/20/2016	P-1553	ESPRUTINGKLE GAS & SERVICE INC.	1,222.71
10/21/2016	P-1554	CHERRY ROSE BUIDERS & CONSTRUCTION SUPPLY	69.64
10/6/2016	P-1569	MAPECON PHILIPPINES INC.	267.86
12/20/2016	P-1863	PATTYS BAKESHOP	21.43
10/16/2016	P-2113	CEBU HOME & BUILDERS CENTRE	203.81
10/3/2016	P-2182	IRON CITY CALTEX STATION	90
10/28/2016	P-3158	JAY C DESIGNS INC	99.11
10/28/2016	P-3159	NEW SEAMAN TRADE MARKETING COMMERCIAL INC	150
12/8/2016	P-4290	SML HABITAT CORPORATION	257.14
12/10/2016	P-4296	SML HABITAT CORPORATION	385.71
11/7/2016	P-4464	DHL EXPRESSCORP.	138.32
Subtotal - 4th Quarter			**3,177.88**
Total - Input VAT on domestic purchase of goods/services supported by VAT Invoice/OR where the payor's name is incorrect, incomplete, or unreadable			**₱ 19,246.52**
5) Input VAT on domestic purchase of goods/services supported by VAT Invoice/OR where the business address is incorrect, incomplete, or unreadable			
1st Quarter			
3/17/2016	P-395	THE BELLEVUE MANILA	₱ 1,640.79
2/16/2016	P-434	CITRA METRO MANILA TOLLWAYS CORPORATION	107.14
3/5/2016	P-492	AEROPHONE ENTERPRISES AND CO	107.14

2/19/2016	P-502	AEROPHONE ENTERPRISES AND CO	107.14
1/26/2016	P-1761	GLOBAL SECUIRTY SOLUTIONS INC.	341.51
2/19/2016	P-659	GAC PHILIPPINES, INC.	1,882.96
2/19/2016	P-665	GAC PHILIPPINES, INC.	1,842.06
2/19/2016	P-667	GAC PHILIPPINES, INC.	1,897.56
2/2/2016	P-1076	GRANDRESTO INC.	629.21
2/3/2016	P-1078	CEBU ATLANTIC HARDWARE	629.46
2/4/2016	P-1083	DMC BUSA PRINTERS	535.71
2/9/2016	P-1097	NATIONAL BOOK STORE	117.38
2/9/2016	P-1100	PACIFIC CATV, INC	133.93
2/10/2016	P-1115	CEBU ATLANTIC HARDWARE	911.63
2/15/2016	P-1129	CAV AUTO OPTIONS INC.	162.51
2/15/2016	P-1133	GOODHOPE HARDWARE	564.27
2/16/2016	P-1135	LANTAW SEAFOOD & GRILL INC.	251.25
2/23/2016	P-1177	SUPER SHOPPING MARKET, INC	557.14
2/19/2016	P-1178	MACRO TIRES, INC.	895.71
1/9/2016	P-1182	GOODHOPE HARDWARE	310.4
1/13/2016	P-1185	GOODHOPE HARDWARE	116.58
1/14/2016	P-1199	SANFORD MARKETING CORPORATION	115.15
1/13/2016	P-1200	GOODHOPE HARDWARE	107.15
1/14/2016	P-1211	ESPRUTINGKLE GAS AND SERVICE INC	161.96
1/15/2016	P-1216	JV SHOP N SHOP CO	107.14
1/12/2016	P-1223	PACIFIC CATV INC	133.82
1/20/2016	P-1230	PACIFIC CATV INC	214.71
1/25/2016	P-1245	GOODHOPE HARDWARE	217.82
1/28/2016	P-1251	GOODHOPE HARDWARE	139.23
1/26/2016	P-1253	GOODHOPE HARDWARE	121.5
2/1/2016	P-1263	I.C.E.D. PETRON SERVICE STATION	149.97
1/7/2016	P-1370	PARKWAY	132.79
1/16/2016	P-1375	SURIGAO M. S. ENTERPRISES	482.14
1/17/2016	P-1382	IRON CITY CALTEX STATION	107.14
1/19/2016	P-1386	B2YS AUTO SUPPLY AND GENERAL MERCHANDISE	530.89
1/19/2016	P-1389	IRON CITY CALTEX STATION	107.14
1/9/2016	P-1392	CEBU BELMONT INC	302.68
1/9/2016	P-1394	THINKING TOOLS INCORPORATED	757.5
1/14/2016	P-1405	IRON CITY CALTEX STATION	107.14
1/22/2016	P-1415	TRIMIX ENTERPRISES	109.28
1/25/2016	P-1431	IRON CITY CALTEX STATION	107.14
1/29/2016	P-1433	NEW MINDANAO HARDWARE AND AUTO PARTS SUPPLIES	252.86
1/29/2016	P-1434	HONEYLEMON FOODS INC	116.78
1/22/2016	P-1453	MOTHERS CHOICE SURIGAO INC	172.45
2/1/2016	P-1570	IRON CITY CALTEX STATION	107.14
2/1/2016	P-1571	MOTHERS CHOICE SURIGAO INC	165.64
2/3/2016	P-1573	MOTHERS CHOICE SURIGAO INC	525.53
2/3/2016	P-1572	MOTHERS CHOICE SURIGAO INC	166.07

2/3/2016	P-1575	IRON CITY CALTEX STATION	107.14
2/9/2016	P-1590	IRON CITY CALTEX STATION	107.14
2/12/2016	P-1593	IRON CITY CALTEX STATION	107.14
2/12/2016	P-1595	MOTHERS CHOICE SURIGAO INC	123.42
2/13/2016	P-1602	SAINT PETER DIAGNOSTIC AND LABORATORY	1,425.54
2/14/2016	P-1625	IRON CITY CALTEX STATION	107.14
2/17/2016	P-1654	CARTECH ENTERPISE	567.86
2/18/2016	P-1657	IRON CITY CALTEX STATION	107.14
2/18/2016	P-1658	TT & COMPANY INC.	192.21
2/18/2016	P-1660	WINSHER MARKETING	685.18
1/29/2016	P-1678	MOTHERS CHOICE SURIGAO INC	343.61
2/21/2016	P-1695	EMB NATURAL GAS STATION	139.29
2/22/2016	P-1701	IRON CITY CALTEX STATION	211.71
2/26/2016	P-1706	SURIGAO M.S ENTERPRISE	482.14
2/26/2016	P-1707	D MICHAEL CO INDUSTRIAL SUPPLY CORP.	241.07
2/18/2016	P-1709	TT & COMPANY INC.	1,653.78
2/18/2016	P-1712	MOTHERS CHOICE SURIGAO INC	1,320.91
2/18/2016	P-1714	TAI-PAN DEVELOPMENT INC	133.62
2/18/2016	P-1715	MOTHERS CHOICE SURIGAO INC	138.64
2/24/2016	P-1722	ULING ROASTERS	115.71
2/26/2016	P-1727	TT & COMPANY INC.	937.92
2/26/2016	P-1728	MOTHERS CHOICE SURIGAO INC	235.52
3/23/2016	P-2374	MOTHERS CHOICE SURIGAO INC	330.6
3/23/2016	P-2377	TT & COMPANY INC.	918.01
3/23/2016	P-2380	TT & COMPANY INC.	369.64
3/31/2016	P-2382	TT & COMPANY INC.	939.62
3/31/2016	P-2385	MOTHERS CHOICE SURIGAO INC	263.2
3/31/2016	P-2387	TAI-PAN DEVELOPMENT INC	162.71
3/26/2016	P-2391	IRON CITY CALTEX STATION	116.98
3/28/2016	P-2392	IRON CITY CALTEX STATION	107.14
3/18/2016	P-2396	TT & COMPANY INC.	1,040.07
3/18/2016	P-2397	MOTHERS CHOICE SURIGAO INC	615.5
3/18/2016	P-2401	PARKWAY	883.44
3/8/2016	P-2416	TT & COMPANY INC.	641.25
3/18/2016	P-2419	SILICON VALLEY	861.43
3/11/2016	P-2450	MOTHERS CHOICE SURIGAO INC	833.67
3/4/2016	P-2485	TAI-PAN DEVELOPMENT INC	105.14
3/31/2016	P-3323	ESPRUTINGKLE GAS & SERVICE INC	187.5
3/30/2016	P-3364	PACIFIC CATV INC	133.93
3/19/2016	P-3372	K-BROTHERS LAYOUT & PRINT	112.5
3/23/2016	P-3375	K AND S HOTEL & MANAGEMENT CORPORATION	176.79
3/22/2016	P-3376	K AND S HOTEL & MANAGEMENT CORPORATION	353.57
3/8/2016	P-3385	GOODHOPE HARDWARE	795.86
3/9/2016	P-3388	SUPER SHOPPING MARKET INC	209.33
3/10/2016	P-3390	AEROPHONE ENTERPRISES & CO	107.14

3/1/2016	P-3408	GOODHOPE HARDWARE	409.39
3/7/2016	P-3422	ESPRUTINGKLE GAS & SERVICE INC	865.93
3/7/2016	P-3430	ACE HARDWARE PHILIPPINES INC	374.87
Subtotal - 1st Quarter			**40,859.28**
2nd Quarter			
6/19/2016	P-364	TRAVELBEE MANAGEMENT CORPORATION	324
6/24/2016	P-365	TRAVELBEE MANAGEMENT CORPORATION	1,259.14
5/22/2016	P-390	THE BELLEVUE MANILA	4,107.21
4/17/2016	P-392	THE BELLEVUE MANILA	1,302.63
6/3/2016	P-420	PETRON XPRESSFILLSTATION	123.82
4/1/2016	P-428	PETRON XPRESSFILLSTATION	123.07
4/1/2016	P-429	PETRON XPRESSFILLSTATION	119.37
4/1/2016	P-430	CITRA METRO MANILA TOLLWAYS CORPORATION	214.29
4/13/2016	P-4787	GLOBAL SECUIRTY SOLUTIONS INC.	308.53
4/13/2016	P-4789	GLOBAL SECUIRTY SOLUTIONS INC.	668.85
6/22/2016	P-587	PEAR ENTERPRISES	35,235.00
5/27/2016	P-2852	MOTHER`S CHOICE SURIGAO INC.	309.65
5/27/2016	P-2854	MOTHER`S CHOICE SURIGAO INC.	118.34
5/27/2016	P-2857	PARKWAY	139.88
5/22/2016	P-2861	IRON CITY CALTEX STATION	107.14
5/24/2016	P-2864	IRON CITY CALTEX STATION	107.14
5/26/2016	P-2867	GARDENSTATE ENTERPRISES, INC.	179.79
5/26/2016	P-2869	TOYOTA BUTUAN CITY	136.6
5/20/2016	P-2882	PARKWAY	222.79
5/20/2016	P-2883	MOTHER`S CHOICE SURIGAO INC.	307.53
5/20/2016	P-2885	MOTHER`S CHOICE SURIGAO INC.	106.34
5/20/2016	P-2886	MOTHER`S CHOICE SURIGAO INC.	318.98
4/16/2016	P-3058	IRON CITY CALTEX STATION	107.14
4/9/2016	P-3061	IRON CITY CALTEX STATION	107.14
4/18/2016	P-3062	IRON CITY CALTEX STATION	858.75
4/22/2016	P-3071	IRON CITY CALTEX STATION	107.14
4/25/2016	P-3073	IRON CITY CALTEX STATION	107.14
4/28/2016	P-3076	IRON CITY CALTEX STATION	107.14
4/23/2016	P-3078	SAINT PETER DIAGNOSTIC AND LABORATORY	273.21
4/14/2016	P-3094	IRON CITY CALTEX STATION	113.12
4/22/2016	P-3104	TT AND COMPANY INC	731.44
4/30/2016	P-3112	TT AND COMPANY INC	960.95
4/30/2016	P-3116	MOTHERS CHOICE SURIGAO INC	131.44
4/9/2016	P-3125	TT AND COMPANY INC	800.54
4/9/2016	P-3126	CLYBROS MERCHANDISING INC	165.12
4/9/2016	P-3129	MOTHERS CHOICE SURIGAO INC	342.43
4/14/2016	P-3133	MOTHERS CHOICE SURIGAO INC	293.43
4/14/2016	P-3135	TT AND COMPANY INC	891.89
4/14/2016	P-3136	CLYBROS MERCHANDISING INC	120.35
4/5/2016	P-3141	NEW SURIGAO PAINTHAUS AND AUTOPARTS GEN MERCHANDISE	107.15

4/4/2016	P-3327	COMTECH REFRIGERATION & AIRCONDITIONING SERVICES	401.79
4/4/2016	P-3328	OCTAGON COMPUTER SUPERSTORE	266.14
6/10/2016	P-4401	GAC PHILIPPINES INC	4,835.19
Subtotal - 2nd Quarter			**57,668.73**
3rd Quarter			
8/30/2016	P-404	EJS GARDEN BY THE BAY	380.36
8/10/2016	P-410	PETRON XPRESSFILLSTATION	126.22
8/13/2016	P-411	BATTERY MASTER'S INC	616.07
9/15/2016	P-571	LINCOLN REALTY CORP.	3,214.29
8/20/2016	P-755	PRIVIS CORPORATION	130.18
8/24/2016	P-758	SANFORD MARKETING CORPORATION	165.72
9/16/2016	P-2694	375 CAR SPECIALIST	2,294.89
9/24/2016	P-3232	OCTAGON COMPUTER SUPERSTORE	425.89
9/26/2016	P-3240	PACIFIC CATV, INC	142.5
7/1/2016	P-4136	CEBGO, INC.	107.14
9/26/2016	P-4334	FRESH N FAMOUS FOODS INC	17.14
Subtotal - 3rd Quarter			**7,620.40**
4th Quarter			
11/26/2016	P-361	TRAVELBEE MANAGEMENT CORPORATION	360
11/26/2016	P-362	TRAVELBEE MANAGEMENT CORPORATION	1,080.00
11/27/2016	P-363	TRAVELBEE MANAGEMENT CORPORATION	180
12/5/2016	P-448	GRANDESTO INC	599.25
12/5/2016	P-449	GRANDESTO INC	85.61
10/13/2016	P-462	UY AND DE GUZMAN LAW OFFICES	4,800.00
12/20/2016	P-746	GLOBAL SECUIRTY SOLUTIONS INC.	536.8
10/18/2016	P-575	PEAR ENTERPRISES	141,360.00
12/21/2016	P-579	PEAR ENTERPRISES	214,800.00
11/17/2016	P-580	PEAR ENTERPRISES	195,300.00
11/7/2016	P-581	PEAR ENTERPRISES	80,212.50
11/22/2016	P-1460	FRONTLAKE INC	184.18
11/22/2016	P-1462	SANFORD MARKETING CORPORATION	195.59
11/23/2016	P-1467	ROBINSONS SUPERMARKET CORPORATION	140.99
11/23/2016	P-1468	ROBINSONS SUPERMARKET CORPORATION	119.14
11/23/2016	P-1469	ROBINSONS SUPERMARKET CORPORATION	230.36
11/26/2016	P-1477	ESPRUTINGKLE GAS AND SERVICE INC	2,241.00
11/16/2016	P-1495	SANFORD MARKETING CORPORATION	212.97
11/18/2016	P-1498	ALAIN ASIA TRADING CORPORATION	169.29
11/19/2016	P-1499	ESPRUTINGKLE GAS AND SERVICE INC	214.29
11/19/2016	P-1500	ROBINSONS INCORPORATED	133.1
11/5/2016	P-1512	GOLDEN COWRIE HUKAD NATIVE RESTAURANT	147.21
11/5/2016	P-1513	ESPRUTINGKLE GAS AND SERVICE INC	2,317.50
10/7/2016	P-1522	GRANDRESTO INC	428.04
10/13/2016	P-1525	SANFORD MARKETING CORP	158.38
10/15/2016	P-1538	NISSAN CEBU DISTRIBUTORS INC.	1,555.29
10/18/2016	P-1547	ACE HARDWARE PHILIPPINES INC	819.4

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12/28/2016	P-1847	DY TEBAN HARDWARE AND AUTO SUPPLY	167.14
12/18/2016	P-1860	HUKAD BUTUAN	130.61
11/4/2016	P-2232	SURIGAONON VISAYAN MARKETING CORPORATION	155.36
11/11/2016	P-2239	SURIGAONON VISAYAN MARKETING CORPORATION	155.36
10/26/2016	P-3155	PACIFIC CATV INC	142.5
10/27/2016	P-3156	FAMILYHEALTH AND BEAUTY CORP	135.59
12/8/2016	P-3280	CHOOBI CHOOBI FLAVORS CORPORATION	108.64
12/14/2016	P-3292	GOLDEN COWRIE HUKAD NATIVE RESTAURANT	201.75
11/30/2016	P-3300	PARILYA SOUTH SEAFOOD AND GRILL	154.82
11/14/2016	P-4236	SUPERVALUE INC	106.55
11/18/2016	P-4243	MAGALLANES MANAGEMENT CORPORATION	201.8
12/10/2016	P-4279	PIGAR TRADING	330.64
12/9/2016	P-4295	SANFORD MARKETING CORPORATION	266.22
10/17/2016	P-4389	CEBU PORT AUTHORITY	107.88
Subtotal - 4th Quarter			**650,945.75**
Total - Input VAT on domestic purchase of goods/services supported by VAT Invoice/OR where the business address is incorrect, incomplete, or unreadable			**₱ 757,094.16**
6) Input VAT on domestic purchase of goods/services supported by VAT Invoice/OR where either there is no indicated business style or the indicated business style is incorrect			
1st Quarter			
1/26/2016	P-397	GORGEOUS FOODS INC	₱ 486.68
1/15/2016	P-444	PETRON XPRESSFILLSTATION	121.28
2/25/2016	P-454	TRAVELBEE MANAGEMENT CORPORATION	531.43
3/3/2016	P-491	ABACUS BOOK AND CARD CORP	240
2/10/2016	P-500	GORGEOUS FOODS INC	175.06
2/17/2016	P-541	PLDT INC	756.26
2/18/2016	P-743	RICHMONDE PLAZA CONDOMINIUM ASSOCIATION INC.	766.8
1/15/2016	P-4792	GLOBAL SECUIRTY SOLUTIONS INC.	341.51
3/1/2016	P-607	INNOVE COMMUNICATIONS, INC.	752.99
2/16/2016	P-636	D. MICHAEL CO INDUSTRIAL SUPPLY (DMC) CORP	1,285.71
3/22/2016	P-658	GAC PHILIPPINES, INC.	38,069.40
2/19/2016	P-663	GAC PHILIPPINES, INC.	1,416.00
1/25/2016	P-669	GAC PHILIPPINES, INC.	1,724.00
2/26/2016	P-3252	TT & COMPANY INC.	937.92
3/4/2016	P-2461	K-3 CENTERPOINT	168.32
3/4/2016	P-2465	MOTHERS CHOICE SURIGAO INC	170.21
3/4/2016	P-2477	TT & COMPANY INC.	1,521.39
3/4/2016	P-3415	SILICON VALLEY	166.08
3/7/2016	P-3431	PACIFIC CATV INC	142.5
2/26/2016	P-3785	TRAVELBEE	648
3/1/2016	P-3795	SUPERVALUE INC	149.67
Subtotal - 1st Quarter			**50,571.21**
2nd Quarter			
6/20/2016	P-387	CEBU GOLDEN RESTAURANT INC	254.68
4/15/2016	P-737	RICHMONDE PLAZA CONDOMINIUM ASSOCIATION INC.	766.8
6/17/2016	P-4781	GLOBAL SECUIRTY SOLUTIONS INC.	323.64
5/31/2016	P-4783	GLOBAL SECUIRTY SOLUTIONS INC.	675.32

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5/6/2016	P-4785	GLOBAL SECUIRTY SOLUTIONS INC.	323.64
6/13/2016	P-604	INNOVE COMMUNICATIONS, INC.	448.28
4/28/2016	P-605	INNOVE COMMUNICATIONS, INC.	390.42
4/18/2016	P-606	INNOVE COMMUNICATIONS, INC.	404.35
6/10/2016	P-647	GAC PHILIPPINES, INC.	12,720.00
4/15/2016	P-652	GAC PHILIPPINES, INC.	4,726.87
4/15/2016	P-653	GAC PHILIPPINES, INC.	1,497.25
4/15/2016	P-656	GAC PHILIPPINES, INC.	2,889.00
4/15/2016	P-657	GAC PHILIPPINES, INC.	2,296.43
6/1/2016	P-589	PEAR ENTERPRISES	70,470.00
6/28/2016	P-911	SANFORD MARKETING CORPORATION	289.37
6/30/2016	P-917	GOODHOPE HARDWARE	132.59
6/22/2016	P-955	ULTIMA RESIDENCES CONDOMINIUM CORPORATION	439.5
6/22/2016	P-958	PACIFIC CATV INC	256.5
6/21/2016	P-959	CHIKA-AN SA CEBU RESTAURANT	292.39
6/16/2016	P-963	ACE HARDWARE PHILIPPINES INC	259.68
6/19/2016	P-976	TRAVELBEE	478.29
6/24/2016	P-977	TRAVELBEE	239.14
6/24/2016	P-980	PRIVIS CORPORATION	308.04
6/18/2016	P-996	CEBU PRIMEGRILL CORP	200.89
5/24/2016	P-1014	EJ'S GARDEN BY THE BAY	514.29
6/9/2016	P-1015	GRANDRESTO INC	513.64
6/10/2016	P-1016	HARRISON MILLER SCHWARTZ CORP	107.14
6/3/2016	P-1018	PACIFIC CATV INC	267.32
6/3/2016	P-1019	ULTIMA RESIDENCES CONDOMINIUM CORPORATION	687.3
6/8/2016	P-1026	GOODHOPE HARDWARE	203.57
5/30/2016	P-1032	GOODHOPE HARDWARE	174.11
5/26/2016	P-1046	SANFORD MARKETING CORPORATION	134.33
6/6/2016	P-1047	THE FIRST FAMILY APPLIANCE CIRCLE CORP	3,132.75
6/6/2016	P-1049	AKROASIA PETRON SERVICE STATION	214.29
6/7/2016	P-1060	GOODHOPE HARDWARE	599.46
6/6/2016	P-1065	GOODHOPE HARDWARE	327.32
6/14/2016	P-1069	PAGES HOLDINGS INC	169.82
4/7/2016	P-1296	CHOWKING	218.79
4/7/2016	P-1301	JOLLIBEE MCIAA	150.64
5/3/2016	P-1359	DUNKIN DONUTS	192.86
5/3/2016	P-1361	ROBINSONS SUPERMARKET CORPORATION	191.79
5/2/2016	P-2287	TAALEÑA RESORTS CORPORATION	161.79
5/5/2016	P-2290	AEROPHONE ENTERPRISES & CO.	107.14
4/25/2016	P-2291	AEROPHONE ENTERPRISES & CO.	107.14
5/6/2016	P-2294	SANFORD MARKETING CORPORATION	157.61
5/10/2016	P-2298	ESPRUTINGKLE GAS & SERVICE INC.	168.23
5/7/2016	P-2305	MANDAUE FOAM INDUSTRIES INC.	3,185.09
5/11/2016	P-2312	PACIFIC CATV, INC.	267.32
5/16/2016	P-2314	ESPRUTINGKLE GAS & SERVICE INC.	179.05

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5/13/2016	P-2315	GRANDRESTO INC	342.43
5/17/2016	P-2319	PRIME CARE CEBU	150
5/23/2016	P-2335	COKALING SHIPPING LINES, INC	1,075.88
5/17/2016	P-2346	ESPRUTINGKLE GAS & SERVICE INC.	1,039.50
5/6/2016	P-2370	VARLIZON, INC	107.14
6/29/2016	P-2491	IRON CITY CALTEX STATION	200.89
6/17/2016	P-2507	IRON CITY CALTEX STATION	167.14
6/17/2016	P-2537	MOTHERS CHOICE SURIGAO INC	151.07
6/17/2016	P-2538	MOTHERS CHOICE SURIGAO INC	110.36
6/17/2016	P-2545	TT & COMPANY INC.	954.62
6/24/2016	P-2549	MOTHERS CHOICE SURIGAO INC	144.64
6/24/2016	P-2551	MOTHERS CHOICE SURIGAO INC	171.54
6/10/2016	P-2568	MOTHERS CHOICE SURIGAO INC	188.89
6/10/2016	P-2571	MOTHERS CHOICE SURIGAO INC	484.93
6/10/2016	P-2583	IRON CITY CALTEX STATION	214.29
6/24/2016	P-2584	TT & COMPANY INC.	853.74
6/2/2016	P-2595	B2Y'S AUTO SUPPLY & GENERAL MERCHANDISE	139.29
6/2/2016	P-2596	B2Y'S AUTO SUPPLY & GENERAL MERCHANDISE	139.29
6/7/2016	P-2614	SURIGAO FAIR TRADE	381.86
4/22/2016	P-2761	THE BELLEVUE MANILA	194.36
4/20/2016	P-2765	PACIFIC CATV INC.	133.93
4/20/2016	P-2766	PACIFIC CATV INC.	406.07
4/21/2016	P-2769	VESCORP BUSINESS OFFICE & SCHOOL SUPPLIES	146.25
4/7/2016	P-2777	NATIONAL BOOK STORE	706.9
4/6/2016	P-2797	NEWSAN TRADING LTD. CO.	2,271.21
4/19/2016	P-2799	NEWSAN TRADING LTD. CO.	1,012.50
4/15/2016	P-2802	ESPRUTINGKLE GAS & SERVICE INC.	180.54
4/18/2016	P-2806	VESCORP BUSINESS OFFICE & SCHOOL SUPPLIES	502.5
5/28/2016	P-2807	IRON CITY CALTEX STATION	255
5/31/2016	P-2809	CENTERPOINT PETRON STATION	159.43
5/14/2016	P-2887	IRON CITY CALTEX STATION	107.14
5/17/2016	P-2890	IRON CITY CALTEX STATION	124.25
5/20/2016	P-2891	IRON CITY CALTEX STATION	127.29
5/4/2016	P-2892	IRON CITY CALTEX STATION	107.14
5/5/2016	P-2893	IRON CITY CALTEX STATION	107.14
5/7/2016	P-2897	IRON CITY CALTEX STATION	159.96
5/6/2016	P-2901	MOTHER`S CHOICE SURIGAO INC.	175.76
5/6/2016	P-2902	MOTHER`S CHOICE SURIGAO INC.	304.18
5/6/2016	P-2903	TT & COMPANY, INC.	720.81
5/6/2016	P-2904	MOTHER`S CHOICE SURIGAO INC.	120.92
5/12/2016	P-2907	TT & COMPANY, INC.	774.89
4/22/2016	P-3098	MOTHERS CHOICE SURIGAO INC	151.75
5/18/2016	P-3570	SUPERVALUE, INC.	111.99
5/23/2016	P-3607	PHILIPPINE INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS	360
4/30/2016	P-3634	SUPERVALUE INC	115.04

4/6/2016	P-4018	TOYOTA PASIG	296.35
6/6/2016	P-4396	ORIENTAL PORT AND ALLIED SERVICES CORP	1,237.08
6/6/2016	P-4397	ORIENTAL PORT AND ALLIED SERVICES CORP	181.92
Subtotal - 2nd Quarter			**131,485.66**
3rd Quarter			
9/19/2016	P-380	WATERFRONT AIRPORT HOTEL AND CASINO	728.57
8/9/2016	P-408	CITRA MERTO MANILA TOLLWAYS CORPORATION	214.29
8/10/2016	P-3254	BRYON INDUSTRIAL SALES & SERVICES	1,836.00
8/16/2016	P-531	PLDT INC	795.93
7/18/2016	P-532	PLDT INC	756.26
7/18/2016	P-734	RICHMONDE PLAZA CONDOMINIUM ASSOCIATION INC.	766.8
7/15/2016	P-4777	GLOBAL SECUIRTY SOLUTIONS INC.	541.99
9/23/2016	P-601	INNOVE COMMUNICATIONS, INC.	1,029.42
9/30/2016	P-576	PEAR ENTERPRISES	167,460.00
8/27/2016	P-578	PEAR ENTERPRISES	47,280.00
8/11/2016	P-583	PEAR ENTERPRISES	83,700.00
9/20/2016	P-353	GLOBE TELECOM INC.	3,238.06
8/27/2016	P-768	ALAIN ASIA TRADING CORPORATION	169.29
8/19/2016	P-805	TRAVELBEE	956.57
8/20/2016	P-808	PACIFIC CATV INC	142.5
8/2/2016	P-823	IKITCHEN INC	209.84
7/31/2016	P-824	WELL LOVED SEAFOOD HARVEST INC	116.79
8/9/2016	P-826	NISSAN CEBU DISTRIBUTORS INC	504.11
8/10/2016	P-834	THE FIRST FAMILY APPLIANCE CIRCLE CORP	1,403.57
8/9/2016	P-835	ACE HARDWARE PHILIPPINES INC	130.07
8/8/2016	P-837	GOODHOPE HARDWARE	126.16
8/11/2016	P-839	VINUTECH DIGITAL CORP	385.71
7/29/2016	P-860	PACIFIC CATV INC	142.5
7/20/2016	P-867	AKROASIA PETRON SERVICE STATION	190.12
7/21/2016	P-873	PYEZA PARTS DEPOT INC	365.89
7/27/2016	P-887	ACE HARDWARE PHILIPPINES INC	149.97
7/27/2016	P-888	AKROASIA PETRON SERVICE STATION	177.62
7/22/2016	P-891	SANFORD MARKETING CORPORATION	133.23
7/4/2016	P-898	ULTIMA RESIDENCES CONDOMINIUM CORPORATION	159
7/8/2016	P-904	ALAIN ASIA TRADING CORPORATION	212.14
7/1/2016	P-927	DHL EXPRESS (PHILIPPINES) CORP	468.01
7/12/2016	P-929	AKROASIA PETRON SERVICE STATION	205.83
7/13/2016	P-932	ACE HARDWARE PHILIPPINES INC	139.23
7/14/2016	P-938	THE FIRST FAMILY APPLIANCE CIRCLE CORP	1,606.61
7/15/2016	P-940	GOODHOPE HARDWARE	165.54
7/6/2016	P-948	AEROPHONE ENTERPRISES & CO	107.14
7/29/2016	P-1922	SURIGAO M.S. ENTERPRISES	133.93
7/22/2016	P-1968	TT & COMPANY, INC.	1,003.40
7/8/2016	P-2004	TRI-MIX ENTERPRISES	303.21
7/8/2016	P-2005	SURIGAO GLASSMASTER	160.71

7/8/2016	P-2010	DMC	289.29
7/7/2016	P-2012	SOLARIS GAS SERVICE STATION	195.21
7/11/2016	P-2019	K3CP CORPORATION	131.14
7/1/2016	P-2023	TT & COMPANY, INC.	910.99
7/1/2016	P-2031	WINSHER MARKETING	220.71
7/8/2016	P-2048	TT & COMPANY, INC.	1,519.48
9/25/2016	P-2646	MOTHERS CHOICE SURIGAO INC	833.6
8/19/2016	P-2956	MOTHER`S CHOICE SURIGAO INC.	459.02
8/19/2016	P-2958	TT & COMPANY, INC.	1,057.15
8/12/2016	P-2983	MOTHER`S CHOICE SURIGAO INC.	471.21
8/3/2016	P-3000	CITI HARDWARE BACOLOD, INC.	183.29
8/6/2016	P-3008	IRON CITY CALTEX STATION	205.71
8/10/2016	P-3022	LAVENDER SHELL SERVICE STATION & GEN. MDSE.	107.14
8/5/2016	P-3030	TT & COMPANY, INC.	1,225.62
8/5/2016	P-3036	MOTHER`S CHOICE SURIGAO INC.	346.07
8/5/2016	P-3037	MOTHER`S CHOICE SURIGAO INC.	109.29
8/5/2016	P-3038	MOTHER`S CHOICE SURIGAO INC.	257.56
9/10/2016	P-3206	ROBINSONS SELECTIONS	259.18
9/14/2016	P-3211	AKROASIA PETRON SERVICE STATION	197.59
9/27/2016	P-3238	AKROASIA PETRON SERVICE STATION	185.29
7/25/2016	P-3593	AMICUS CATERING SERVICES & SUPPLIES	1,989.64
8/11/2016	P-3600	CEBU AIR, INC	278.57
8/8/2016	P-3603	PHILIPPINE INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS	180
8/10/2016	P-3720	IKITCHEN INC	308.57
8/3/2016	P-3722	DHL EXPRESS	124.82
7/20/2016	P-3822	RED PLANET HOTELS ORTIGAS CORPORATION	870.42
9/30/2016	P-4081	ACCENT MICRO PRODUCTS INC	1,446.43
7/4/2016	P-4141	PRIME ARCH CREATIVE RESTAURANTS INCORPORATED	107.57
7/4/2016	P-4143	JOLLIBEE ROBINSONS PALAWAN	141.75
9/8/2016	P-4198	DHL EXPRESSCORP.	124.82
9/16/2016	P-4394	GALCO	1,502.95
Subtotal - 3rd Quarter			**334,556.09**
4th Quarter			
11/18/2016	P-450	PHILIPPINE AIRLINES	549.82
10/19/2016	P-451	PHILIPPINE AIRLINES	1,084.96
10/14/2016	P-452	PHILIPPINE AIRLINES	867.14
10/3/2016	P-534	PLDT INC	1,192.07
10/13/2016	P-546	NEWSAN TRADING LTD. CO	843.21
11/23/2016	P-750	GLOBAL SECUIRTY SOLUTIONS INC.	259.74
11/11/2016	P-752	GLOBAL SECUIRTY SOLUTIONS INC.	259.74
10/15/2016	P-572	LINCOLN REALTY CORP.	3,214.29
11/17/2016	P-573	LINCOLN REALTY CORP.	3,214.29
11/24/2016	P-1471	NEW VENTURES SHELL STATION	163.25
11/10/2016	P-1491	AKROASIA PETRON SERVICE STATION	206.09
12/5/2016	P-1768	REDD MOBILE MARKETING	589.29

12/2/2016	P-1800	MOTHERS CHOICE SURIGAO INC	114.21
12/2/2016	P-1801	MOTHERS CHOICE SURIGAO INC	130.18
12/2/2016	P-1802	MOTHERS CHOICE SURIGAO INC	385.42
12/2/2016	P-1803	TT AND COMPANY INC	666.37
12/9/2016	P-1809	TT AND COMPANY INC	1,293.81
12/9/2016	P-1812	MOTHERS CHOICE SURIGAO INC	441.88
12/16/2016	P-1834	MOTHERS CHOICE SURIGAO INC	133.39
12/16/2016	P-1836	MOTHERS CHOICE SURIGAO INC	111.43
12/16/2016	P-1837	MOTHERS CHOICE SURIGAO INC	392.26
12/16/2016	P-1841	TT AND COMPANY INC	982.88
12/17/2016	P-1857	K3CP CORPORATION	145.39
12/23/2016	P-1880	MOTHERS CHOICE SURIGAO INC	258.06
12/23/2016	P-1883	TT AND COMPANY INC	522.79
12/30/2016	P-1893	ROBINSONS SUPERMARKET CORPORATION	674.96
10/14/2016	P-2120	MOTHER`S CHOICE SURIGAO INC.	317.92
10/14/2016	P-2122	MOTHER`S CHOICE SURIGAO INC.	447.37
10/14/2016	P-2125	TT & COMPANY, INC.	1,351.99
10/11/2016	P-2142	NEW SURIGAO PAINTHAUS & AUTOPARTS GEN. MERCHANDISE	535.71
10/11/2016	P-2144	B2Y`S AUTO SUPPLY AND GENERAL MERCHANDISE	160.71
10/13/2016	P-2149	K3CP CORPORATION	119.36
10/7/2016	P-2160	MOTHER`S CHOICE SURIGAO INC.	536.32
10/7/2016	P-2161	MOTHER`S CHOICE SURIGAO INC.	308.61
10/7/2016	P-2162	MOTHER`S CHOICE SURIGAO INC.	156.43
10/7/2016	P-2163	TT & COMPANY, INC.	1,364.58
10/2/2016	P-2180	PARKWAY	392.72
10/6/2016	P-2188	REDD MOBILE MARKETING	492.86
10/1/2016	P-2198	ROBINSON`S SUPERMARKET CORPORATION	1,139.90
11/4/2016	P-2216	TT & COMPANY, INC	992.65
11/21/2016	P-2252	B2Y'S AUTO SUPPLY & GENERAL MERCHANDISE	2,229.64
11/18/2016	P-2260	TT & COMPANY, INC	928.13
11/18/2016	P-2261	MOTHERS CHOICE SURIGAO INC	629.44
11/29/2016	P-2272	SURIGAO MEDICAL CENTER INC.- PHARMACY	129.56
11/25/2016	P-2277	MOTHERS CHOICE SURIGAO INC	458.01
11/25/2016	P-2280	TT & COMPANY, INC	810.05
12/16/2016	P-3481	CEBU AIR, INC	172.92
10/3/2016	P-4087	CITRA METRO MANILA TOLLWAYS CORPORATION	107.14
11/14/2016	P-4242	SUPERGAS MEGA GAS STATION	170.63
11/18/2016	P-4262	CK OF ASIA INC	76.87
12/4/2016	P-4269	ROBINSON`S DEPARTMENT STORE-BUTUAN	192.86
12/4/2016	P-4271	ROBINSON`S DEPARTMENT STORE-BUTUAN	385.71
12/4/2016	P-4272	ROBINSON`S DEPARTMENT STORE-BUTUAN	412.5
12/4/2016	P-4273	ROBINSON`S DEPARTMENT STORE-BUTUAN	2,035.71
12/9/2016	P-4274	BENCH BOUTIQUE	136.74
12/9/2016	P-4278	TT & COMPANY, INC.	224.76
12/15/2016	P-4287	PARKWAY	139.33

12/8/2016	P-4291	SUPERVALUE, INC.	267.27
12/8/2016	P-4293	THE SM STORE	861.27
12/9/2016	P-4294	ROBINSON`S SUPERMARKET CORPORATION	176.21
12/13/2016	P-4307	V.C.M. TRADING	241.07
10/11/2016	P-4383	J CO DONUTS AND COFFEE	107.68
10/14/2016	P-4384	GAC PHILIPPINES INC	39,000.00
10/14/2016	P-4385	GAC PHILIPPINES INC	17,520.00
10/14/2016	P-4392	GAC PHILIPPINES INC	1,786.79
10/6/2016	P-4400	CEBU PORT AUTHORITY	218.88
12/2/2016	P-4402	GAC PHILIPPINES INC	7,632.11
10/18/2016	P-4425	CUBIXOFFICE	187.5
Subtotal - 4th Quarter			**104,252.83**
Total - Input VAT on domestic purchase of goods/services supported by VAT Invoice/OR where either there is no indicated business style or the indicated business style is incorrect			**₱ 620,865.79**
7) Input VAT on domestic purchase of goods/services supported by a document with "NOT VALID FOR CLAIMING INPUT TAXES" remark			
1st Quarter			
2/6/2016	P-1582	CEBUANO'S TAILOR	₱ 53.57
Subtotal - 1st Quarter			**53.57**
Total - Input VAT on domestic purchase of goods/services supported by a document with "NOT VALID FOR CLAIMING INPUT TAXES" remark			**₱ 53.57**
8) Input VAT on domestic purchase of goods/services supported by VAT Invoice/OR where ATP details are not indicated and/or unreadable or the ATP is expired			
1st Quarter			
2/12/2016	P-1594	MOTHERS CHOICE SURIGAO INC	₱ 137.13
2/12/2016	P-1596	MOTHERS CHOICE SURIGAO INC	417.1
3/24/2016	P-2381	ULING ROASTERS	57.86
2/15/2016	P-3762	GRANT LINE INC	32.36
2/5/2016	P-3929	JOLLIBEE	10.61
1/29/2016	P-3951	JOLLIBEE	8.79
2/2/2016	P-3955	MR. KIMBOB BIBIMBOB INC.	10.61
Subtotal - 1st Quarter			**674.46**
2nd Quarter			
6/3/2016	P-1023	SM PRIME HOLDINGS INC	2.68
6/30/2016	P-2492	K3CP CORPORATION	153
6/17/2016	P-2508	HONEYLEMON FOODS INC.	13.39
6/24/2016	P-2533	CHOWKING	25.82
6/17/2016	P-2535	MOTHERS CHOICE SURIGAO INC	404.47
6/24/2016	P-2552	MOTHERS CHOICE SURIGAO INC	378.76
6/10/2016	P-2569	MOTHERS CHOICE SURIGAO INC	106.18
5/27/2016	P-2871	JANET TE LAGUA	31.61
5/20/2016	P-2884	MOTHER`S CHOICE SURIGAO INC.	136.61
4/20/2016	P-3069	HONEYLEMON FOODS INC	51.86
4/29/2016	P-3082	K3CP CORPORATION	55.82
4/29/2016	P-3084	BABIELYN KITCHENETTE	76.61
4/22/2016	P-3099	MOTHERS CHOICE SURIGAO INC	368.6
4/30/2016	P-3115	MOTHERS CHOICE SURIGAO INC	496.34
4/30/2016	P-3117	MOTHERS CHOICE SURIGAO INC	105.2

4/8/2016	P-4027	MC KINLEY FOOD EXPRESS, INC.	10.61
4/26/2016	P-4052	CHOWKING	10.61
Subtotal - 2nd Quarter			**2,428.17**
3rd Quarter			
7/20/2016	P-863	AKROASIA PETRON SERVICE STATION	12.32
7/8/2016	P-2008	HONEYLEMON FOODS INC.	10.61
9/25/2016	P-2645	TAIPAN DEVELOPMENT INC	55.97
9/22/2016	P-3225	RED RIBBON	75
Subtotal - 3rd Quarter			**153.9**
4th Quarter			
12/9/2016	P-1811	MOTHERS CHOICE SURIGAO INC	88.93
10/14/2016	P-2121	MOTHER`S CHOICE SURIGAO INC.	43.39
10/14/2016	P-2123	MOTHER`S CHOICE SURIGAO INC.	160.71
10/16/2016	P-2155	ROBINSONS DEPARTMENT STORE	5.36
11/21/2016	P-2249	CHOWKING-SURIGAO DOWNTOWN	21.11
Subtotal - 4th Quarter			**319.5**
Total - Input VAT on domestic purchase of goods/services supported by VAT Invoice/OR where ATP details are not indicated and/or unreadable or the ATP is expired			**₱ 3,576.03**
9) Input VAT on domestic purchase of goods/services supported by VAT Invoice/OR where alterations were made without authorized countersignature			
1st Quarter			
2/1/2016	P-382	TRAVELBEE MANAGEMENT CORPORATION	₱ 265.71
2/12/2016	P-4794	GLOBAL SECUIRTY SOLUTIONS INC.	1,042.73
2/27/2016	P-1737	PRUDENTIAL CUSTOMS BROKERAGE SERVICES INC.	5.16
3/23/2016	P-2376	PARKWAY	115.79
3/18/2016	P-2413	GREENWICH	149.46
2/24/2016	P-3433	MA. LINA CATERING SERVICES	514.29
2/24/2016	P-3434	ESPRUTINGKLE GAS & SERVICE INC.	10.71
3/2/2016	P-3878	JOLLIBEE FOOD CORPORATION	8.79
3/18/2016	P-3907	MANG INASAL RESTAURANT	11.89
Subtotal - 1st Quarter			**2,124.53**
2nd Quarter			
5/8/2016	P-381	THE BELLEVUE MANILA	4,903.15
6/20/2016	P-953	MANDAUE STAR OIL GASOLINE STATION & CONVENIENT STORE	68.46
6/8/2016	P-1028	GOODHOPE HARDWARE	19.07
5/23/2016	P-2309	CEBU ADGEM AUTO PARTS	6.96
5/18/2016	P-2311	NIKKIE POLLUTION TEST CO.	32.14
5/23/2016	P-2327	AKROASIA PETRON SERVICE STATION	214.93
5/23/2016	P-2331	CALOOCAN BEARING AND PARTS CORP.	22.5
4/24/2016	P-2368	MAPECON PHILIPPINES, INC	267.86
6/26/2016	P-2560	ULING ROASTERS	57.86
6/24/2016	P-2563	ULING ROASTERS	77.14
4/8/2016	P-2787	ESPRUTINGKLE GAS & SERVICE INC.	10.71
4/13/2016	P-2798	NEWSAN TRADING LTD. CO.	843.75
5/2/2016	P-2851	ULING ROASTERS	250.71
5/27/2016	P-2853	MOTHER`S CHOICE SURIGAO INC.	133.39
5/27/2016	P-2855	ULING ROASTERS	57.86

6/26/2016	P-2870	CHOWKING	17.79
6/24/2016	P-3554	HI-SERVE PETROLIUM RETAILERS	53.57
4/2/2016	P-4005	SLT GASMART CORPORATION	6.43
4/3/2016	P-4009	SM HYPERMARKET	152.61
4/7/2016	P-4023	MUY BIEN FOODS CORPORATION	9.11
4/21/2016	P-4042	KNOXPORT, INC.	10.61
Subtotal - 2nd Quarter			**7,216.62**
3rd Quarter			
8/9/2016	P-409	PETRON XPRESSFILLSTATION	107.16
9/22/2016	P-754	GLOBAL SECUIRTY SOLUTIONS INC.	536.8
8/18/2016	P-630	D. MICHAEL CO INDUSTRIAL SUPPLY (DMC) CORP	11,416.07
7/27/2016	P-885	AKROASIA PETRON SERVICE STATION	13.16
7/22/2016	P-1960	JOLLIBEE	39.86
7/1/2016	P-2028	MOTHER`S CHOICE SURIGAO INC.	417.37
9/30/2016	P-2618	CABADBARAN SHELL SERVICE STATION	107.14
9/30/2016	P-2619	ASM FOODS	13.82
8/5/2016	P-3002	LAVENDER SHELL SERVICE STATION & GEN. MDSE.	10.71
8/30/2016	P-3167	CBX	1,496.25
8/31/2016	P-3168	AKROASIA PETRON SERVICE STATION	214.14
8/31/2016	P-3181	CEBU PORT AUTHORITY	2.89
9/8/2016	P-3199	SANFORD MARKETING CORPORATION	79.07
9/8/2016	P-3204	AKROASIA PETRON SERVICE STATION	141.44
9/14/2016	P-3210	AEROPHONE ENTERPRISES & CO.	107.14
9/20/2016	P-3218	ESPRUTINKLE GAS & SERVICES INC.	1,069.93
9/22/2016	P-3226	LAVSHELL SERVICE STATION	155.64
8/30/2016	P-4162	RUFO`S FAMOUS TAPA	13.5
8/30/2016	P-4165	MQUAD SOLUTIONS INC.	256.07
8/31/2016	P-4166	SUPERVALUE, INC.	124.31
8/31/2016	P-4167	BLUE BOZ	4.29
9/2/2016	P-4176	TROPICAL HUT HAMBURGER	8.46
9/2/2016	P-4178	MICHEAL T. TAGORDA	10.71
9/5/2016	P-4182	MQUAD SOLUTIONS INC.	256.07
9/6/2016	P-4187	SAM HIRANAND FOOD CORPORATION	25.71
9/9/2016	P-4191	SAM HIRANAND FOOD CORPORATION	11.79
Subtotal - 3rd Quarter			**16,639.51**
4th Quarter			
10/13/2016	P-577	PEAR ENTERPRISES	51,980.00
10/10/2016	P-1523	AKROASIA PETRON SERVICE STATION	214.29
10/14/2016	P-1536	THE FIRST FAMILY APPLIANCE CIRCLE CORP.	2,538.75
12/5/2016	P-3706	ERNA GASOLINE STATION	10.71
11/15/2016	P-4256	MOMS FLOWERSHOPPE	21.22
12/7/2016	P-4301	SODEXO BENEFITS AND REWARDS SERVICES PHILIPPINES, INC.	5,713.71
Subtotal - 4th Quarter			**60,478.69**
Total - Input VAT on domestic purchase of goods/services supported by VAT Invoice/OR where alterations were made without authorized countersignature			**₱ 86,459.35**
10) Input VAT on domestic purchase of goods/services supported by Non-VAT Invoice/OR			

1st Quarter			
3/17/2016	P-539	PLDT INC	₱ 756.26
2/17/2016	P-540	PLDT INC	364.83
Subtotal - 1st Quarter			**1,121.09**
Total - Input VAT on domestic purchase of goods/services supported by Non-VAT Invoice/OR			**₱ 1,121.09**
Total Input VAT on Domestic Purchases Not Properly Substantiated			**₱1,562,076.91**

With regard to the refund of input VAT on importation of goods other than capital goods in the total amount of ₱3,570,947.00, it is important to emphasize that to be entitled to its claim, petitioner must prove, among others, (*i*) the fact of importation; and, (*ii*) the payment of VAT on said importation.

It must be noted that the Court denied admission in evidence[50] petitioner's Exhibit Nos. "P-3255" to "P-3271", with sub-markings, which pertains to the Bureau of Customs' Single Administrative Documents (SAD) and Statement of Settlement of Duties and Taxes (SSDT) on its alleged importation of goods. Without the SAD and SSDT, the Court cannot ascertain the fact of importation and the payment of VAT on such importation. Thus, the input VAT on importations in the total amount of ₱3,570,947.00 shall be disallowed, as follows:

Import Entry No.	**Exhibit No.**	**OR No.**	**Date of VAT Payment**	**Input VAT**
1st Quarter				
C-2368	P-3255 to P-3255-E, P-3860	R-5299	1/27/2016	₱ 27,123.00
C-2304	P-3256 to P-3256-c, P-3861	R-9558	2/15/2016	60,208.00
C-367	P-3257 to P-3257-G, P-3861	R-7376	2/1/2016	88,576.00
C-36901	P-3258, P-3862	150971	3/15/2016	717,960.00
C-994	P-3259 to P-3259-F, P-3862	R-19988	3/21/2016	47,397.00
Subtotal - 1st Quarter				**₱ 941,264.00**
2nd Quarter				
C-11595	P-3260 to P-3260-D, P-3272, P-4750-A	R-22751	4/26/2016	290,294.00
C-1200	P-3261 to P-3261-E, P-3272, P-4751	R-23688	4/7/2016	55,031.00
C-15522	P-3262, P-3864	R-30588	6/3/2016	27,775.00
C-15560	P-3263 to P-3263-I, P-3864	R-30433	6/2/2016	896,014.00
C-15671	P-3264 to P-3264-E, P-3864	R-30767	6/3/2016	258,063.00
Subtotal - 1st Quarter				**₱ 1,527,177.00**
3rd Quarter				
C-2434	P-3265 to P-3265-D, P-3865	R-46324	7/1/2016	57,260.00
C-3829	P-3266, P-3867	R-65981	9/15/2016	126,754.00
Subtotal - 3rd Quarter				**₱ 184,014.00**
4th Quarter				
C-30184	P-3267, P-3868	R-65981	10/17/2016	59,364.00
C-4249	P-3268, P-3868	R-72605	10/13/2016	179,107.00
C-4785	P-3269, P-3869	R-81085	11/21/2016	44,420.00

[50] Resolution dated February 26, 2020, CTA Docket vol. VI, pp. 3603-3607.

C-37240	P-3270, P-3870	R-70074	12/12/2016	137,970.00
C-5146	P-3271, P-3870	R-86195	12/13/2016	497,631.00
Subtotal - 4th Quarter				**918,492.00**
Total Input VAT on Importations Not Supported by Admitted Evidence				**₱ 3,570,947.00**

The total disallowances per the Court's further verification of petitioner's input taxes for the four quarters of TY 2016 is ₱5,133,023.91, computed as follows:

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total
Input VAT on Domestic Purchases Not Properly Substantiated	₱ 104,849.85	₱ 245,287.73	₱ 376,323.87	₱ 835,615.46	₱ 1,562,076.91
Input VAT on Importations Not Supported by Admitted Evidence	941,264.00	1,527,177.00	184,014.00	918,492.00	3,570,947.00
Total Disallowances per Court's further verification	**₱ 1,046,113.85**	**₱ 1,772,464.73**	**₱ 560,337.87**	**₱ 1,754,107.46**	**₱ 5,133,023.91**

In view of the foregoing disallowances, the total valid input taxes of petitioner subject for allocation is ₱342,472.59, as shown below:

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total
Total Input VAT	₱1,338,962.78	₱2,085,465.00	₱ 970,264.20	₱2,367,866.07	₱6,762,558.05
Less: Disallowance per ICPA Exception	338,285.47	150,499.55	189,997.23	79,414.02	758,196.27
Disallowance per Court's Further Verification	1,046,113.85	1,772,464.73	560,337.87	1,754,107.46	5,133,023.91
Valid Common Input Tax for Allocation	(45,436.54)	162,500.72	219,929.10	534,344.59	871,337.87
Less: Input Tax on Unaccounted Purchases					528,865.28
Net Valid Common Input Tax for Allocation					**₱ 342,472.59**

Considering that petitioner is engaged in taxable sales subject to both 0% and 12% VAT, and its input VAT cannot be directly or entirely attributed to any of the transactions, the valid common input VAT of ₱342,472.59 shall be proportionately allocated on the basis of the volume of its sales in accordance with Section 112(A) of the NIRC of 1997, as amended, thus:

Total VATable Sales per Quarterly VAT Returns	₱ 14,624,302.04
Divided by Total Declared Sales per Quarterly VAT Returns	97,802,307.14
Multiplied by Total Valid Input VAT	342,472.59
Input VAT Allocated to Total VATable Sales	**₱ 51,209.66**

Total Zero-rated Sales per Quarterly VAT Returns	₱ 83,178,005.10
Divided by Total Declared Sales per Quarterly VAT Returns	97,802,307.14

Multiplied by Total Valid Input VAT	342,472.59
Input VAT Allocated to Zero-rated Sales	**₱ 291,262.93**

Thus, petitioner has valid input VAT attributable to its zero-rated sales in the amount of ₱291,262.93.

Sixth Requisite: Petitioner has no excess input VAT available for refund

Having determined that petitioner had valid input VAT attributable to its zero-rated sales, the Court shall now determine whether the same was not applied against its output VAT liability.

After deducting the input tax attributable to VATable sales in the amount of ₱51,209.66 from its output VAT liability of ₱1,754,936.25 from the said sales, petitioner still has a **net output VAT payable of ₱1,703,726.59**, as computed below:

Period	**Output VAT**
1st Quarter	₱ 428,487.15
2nd Quarter	377,688.41
3rd Quarter	556,167.00
4th Quarter	392,593.69
Total	**₱ 1,754,936.25**

Output VAT per Returns	₱ 1,754,936.25
Less: Input VAT Allocated to Total VATable Sales	51,209.66
Net Output VAT Payable	**₱ 1,703,726.59**

Since petitioner's input VAT attributable to VATable sales is not enough to cover its output VAT liability, the valid input VAT attributable to zero-rated sales shall be utilized against the remaining output VAT liability of ₱1,703,726.59. However, the input VAT attributable to zero-rated sales of ₱291,262.93 is way lower than the net output VAT payable of ₱1,703,726.59. Consequently, petitioner **still has net output VAT due of ₱1,412,463.66**, computed as follows:

Net Output VAT Payable	₱ 1,703,726.59
Less: Input VAT Allocated to Zero-rated Sales	291,262.93
Net Output VAT Still Due	**₱ 1,412,463.66**

While the Court notes that petitioner's 1st Quarterly VAT Return for TY 2016 reflected the amount of ₱4,249,849.48 as "Input Tax Carried Over from Previous Period", petitioner failed to submit documents, official receipts and invoices to support the input tax carry-

of

over of ₱4,249,849.48. Hence, petitioner's input tax carried over from previous period cannot be validly applied against petitioner's net output VAT due pursuant to Section 110(A) in relation to Section 110(B) of the NIRC of 1997, as amended.

Verily, in claiming excess or unutilized input VAT from zero-rated transactions, it is the excess over the output VAT which should be refunded to the taxpayer or credited against other internal revenue taxes. It is important for the taxpayer to prove that it has enough prior year's excess input VAT credits to cover its output VAT liability for the current taxable year. To reiterate, in cases filed before this Court, which are litigated *de novo*, party-litigants must prove every minute aspect of their case.[51] Consequently, there being no excess input VAT which may be the subject of a claim for refund or issuance of tax credit certificate, the present claim must be denied.

Finally, it bears stressing that a claimant has the burden of proof to establish the factual basis of his or her claim for tax credit or refund.[52] Tax refunds are in the nature of tax exemptions. As such, they are regarded as in derogation of sovereign authority and to be construed *strictissimi juris* against the person or entity claiming the refund.[53] The pieces of evidence presented entitling a taxpayer to an exemption are also *strictissimi* scrutinized and must be duly proven.[54] Hence, an applicant for a claim of tax refund or tax credit must not only prove entitlement to the claim but also compliance with all the documentary and evidentiary requirements.[55]

WHEREFORE, in light of the foregoing, the Petition for Review filed on May 15, 2018 is hereby **DENIED** for lack of merit.

SO ORDERED.

ROMAN G. DEL ROSARIO
Presiding Justice

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[51] *Commissioner of Internal Revenue vs. United Salvage and Towage (Phils.), Inc.*, G.R. No. 197515, July 2, 2014.
[52] *Citibank N.A. vs. Court of Appeals and Commissioner of Internal Revenue*, G.R. No. 107434, October 10, 1997.
[53] *Commissioner of Internal Revenue vs. S.C. Johnson and Son, Inc., et al.*, G.R. No. 127105, June 25, 1999.
[54] *Kepco Philippines Corporation vs. Commissioner of Internal Revenue*, G.R. No. 179961, January 31, 2011.
[55] *Eastern Telecommunications Philippines, Inc. vs. Commissioner of Internal Revenue*, G.R. No. 183531, March 25, 2015.

I CONCUR:

CATHERINE T. MANAHAN
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.

ROMAN G. DEL ROSARIO
Presiding Justice