REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

SPECIAL FIRST DIVISION

AYALA CORPORATION, Petitioner,	**CTA CASE NO. 10056**
	Members:
- versus -	DEL ROSARIO, *P.J.*, Chairperson, MANAHAN, and, REYES-FAJARDO, *JJ.*
COMMISSIONER OF INTERNAL REVENUE, Respondent.	Promulgated: DEC 11 2023 2:30PM

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DECISION

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

Before the Court is the Petition for Review[1] filed by Ayala Corporation on April 3, 2019, praying that judgment be rendered ordering the Commissioner of Internal Revenue to issue a tax credit certificate in its favor in the total amount of ₱212,931,584.00 representing its unutilized creditable withholding taxes for calendar years 2016 and 2017.[2]

PARTIES

Petitioner Ayala Corporation is a domestic corporation duly organized and existing under Philippine laws with principal place of business at the 33rd Floor, Tower One & Exchange Plaza, Ayala Triangle, Ayala Avenue, Makati City.[3] It is registered with the BIR as a Large Taxpayer with Tax Identification Number 000-153-610-000.[4]

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[1] Docket, Vol. I, pp. 10-101.
[2] Id. at 16.
[3] Id. at 260.
[4] Id. at 21; Exhibits "P-1" and "P-2".

Respondent Commissioner of Internal Revenue (CIR)[5] is the duly appointed Commissioner of the Bureau of Internal Revenue (BIR) vested with the authority to act as such, including the power to decide, approve and grant claims for refund or issuance of a tax credit certificate (TCC) pertaining to any excess or overpaid internal revenue taxes under the National Internal Revenue Code of 1997 (NIRC), as amended.[6]

FACTS

On April 6, 2017, petitioner filed its Annual Income Tax Return (ITR) for calendar year (CY) ended December 31, 2016 through the Electronic Filing and Payment System (eFPS) showing an overpayment of income tax amounting to ₱197,647,413.00.[7]

For CY ended December 31, 2017, petitioner filed through the eFPS its Annual ITR on April 10, 2018, showing an overpayment of income tax amounting to ₱207,248,205.00.[8]

On March 28, 2019, petitioner filed a claim for issuance of a TCC for its unutilized creditable withholding taxes (CWTs) for CYs 2016 and 2017 in the amount of ₱212,931,584.00, detailed below:[9]

CY	Excess unutilized CWTs
2016	₱ 95,994,335.00
2017	116,937,249.00
Total Claim for Issuance of TCC	₱ 212,931,584.00

Without waiting for respondent's action on its administrative claim, petitioner filed the present Petition for Review on April 3, 2019.

Summonses were served upon respondent and the Office of the Solicitor General on May 9, 2019 and May 14, 2019, respectively.[10]

On June 17, 2019, respondent filed a Motion to Admit Attached Answer,[11] which the Court granted in its Resolution dated August 30,

[5] The incumbent CIR is Hon. Romeo D. Lumagui, Jr.
[6] Docket, Vol. I, p. 260.
[7] Docket, Vol. IV, pp. 1438-1453; Exhibit "P-12-12".
[8] Docket, Vol. I, p. 12; Exhibit "P-12-13".
[9] Id. at 71; Exhibits "P-7" and "P-7-1".
[10] Id. at 102-104.
[11] Id. at 105-119.

2019,[12] thereby admitting the Answer as part of the records of the case. In his Answer, respondent prayed that the present Petition for Review be dismissed for lack of jurisdiction or, in the alternative, be denied for utter lack of merit, and, raised as special and affirmative defenses that: *i)* petitioner failed to exhaust administrative remedies before elevating the case to the Court given that respondent barely had six (6) days to review petitioner's refund application from the filing of its administrative claim for refund on March 28, 2019 before it was elevated to the Court on April 3, 2019; and, *ii)* petitioner is not entitled to the claim for refund of CWTs for failure to (a) submit proof that the income from which the CWTs being claimed was declared in its Annual ITR, (b) prove that the CWTs were actually remitted to the BIR, and (c) comply with Revenue Memorandum Order (RMO) No. 53-98[13] and Revenue Regulations (RR) No. 2-2006.[14]

The Pre-Trial Conference was set on October 24, 2019.[15] Respondent filed his Pre-Trial Brief[16] on October 16, 2019, while petitioner filed its Pre-Trial Brief[17] on October 18, 2016.

The Pre-Trial Conference proceeded as scheduled. The parties were granted until November 8, 2019 to file their Joint Stipulation of Facts and Issues (JSFI).[18] In compliance therewith, they filed their JSFI on November 8, 2019,[19] which was approved by the Court in its Resolution dated November 15, 2019.[20] In the same Resolution, the Court terminated the Pre-Trial and directed the issuance of a Pre-Trial Order.[21]

On November 8, 2019, petitioner filed its Motion to Commission an Independent Certified Public Accountant,[22] which the Court granted in the January 30, 2020 Hearing where Madonna Mia S. Dayego was

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[12] Id. at 133-134.
[13] Subject: Checklist of Documents to be Submitted by a Taxpayer upon Audit of [his/her] Tax Liabilities as well as of the Mandatory Reporting Requirements to be Prepared by a Revenue Officer, all of which Comprise a Complete Tax Docket
[14] Subject: Mandatory Attachments of the Summary Alphalist of Withholding Agents of Income Payments Subjected to Tax Withheld at Source (SAWT) to Tax Returns With Claimed Tax Credits due to Creditable Tax Withheld At Source and of the Monthly Alphalist of Payees (MAP) Whose Income Received Have Been Subjected to Withholding Tax to the Withholding Tax Remittance Return Filed by the Withholding Agent/Payor of Income Payments
[15] Id. at 138-139.
[16] Id. at 140-143.
[17] Id. at 148-160.
[18] Id. at 166-171.
[19] Id. at 183-191.
[20] Id. at 194.
[21] Id.
[22] Id. at 172-182.

commissioned as an Independent Certified Public Accountant (ICPA).[23]

On December 6, 2019, the parties filed their Joint Motion to Admit Amended Stipulation of Facts and Issues,[24] which the Court granted in the Resolution dated December 19, 2019 and directed the issuance of a Pre-Trial Order.[25]

On January 22, 2020, the Court issued the Pre-Trial Order.[26]

During trial, petitioner presented testimonial and documentary evidence. It presented as witnesses: Maria Susana C. Bables, its Associate Director for Corporate Accounting Unit;[27] and, Madonna Mia S. Dayego, the Court-commissioned ICPA.[28]

In the July 13, 2021 Hearing,[29] the Court granted petitioner until August 18, 2021 to file its Formal Offer of Evidence (FOE). Respondent was given ten (10) days from receipt of the FOE to comment thereon. **Respondent's counsel manifested that he will not present any evidence**. Thus, the Court directed the parties to submit their respective memoranda within a non-extendible period of thirty (30) days from receipt of the Court's resolution on petitioner's FOE.

On August 25, 2021, petitioner filed through email its FOE[30] while respondent filed his comment[31] thereon on October 26, 2021.[32]

In the Resolution dated March 29, 2022,[33] the Court admitted in evidence petitioner's offered exhibits except Exhibits "P-12-6", "P-31-62", "P-31-130", and "P-49-1", for not being found in the records of the case, and Exhibit "P-5-5", for not being identified in Court, and noted observations on certain exhibits admitted in evidence.

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[23] Id. at 298-302.
[24] Id. at 202-213.
[25] Id. at 252.
[26] Id. at 259-269.
[27] Id. at 216-249; Docket, Vol. II, pp. 429-785; Docket, Vol. III, pp. 786-1028, 1126-1130.
[28] Docket, Vol. I, pp. 415-426; Docket Vol. III, pp. 1126-1130.
[29] Id. at 1126-1130.
[30] Docket, Vol. III, 1138-1181
[31] Id. at 1228-1230.
[32] The Court of Tax Appeals (CTA) was physically closed on August 2, 2021 and the filing of court-bound documents was suspended pursuant to Supreme Court Administrative Circular No. 56-2021. The filing of court-bound documents resumed seven (7) calendar days from the CTA's re-opening on October 20, 2021.
[33] Id. at 1282-1286.

On May 4, 2022, respondent filed his Memorandum.[34]

On May 6, 2022, petitioner filed an Urgent Motion for Partial Reconsideration of the Resolution dated March 29, 2022.[35] In the Resolution dated August 4, 2022,[36] the Court granted petitioner's prayer in its Urgent Motion to submit/re-submit certain exhibits and submitted for resolution the Urgent Motion upon submission of the exhibits.

In compliance with the Resolution dated August 4, 2022, petitioner filed its Compliance and Manifestation, with Amended FOE,[37] on August 22, 2022.

In the Resolution dated October 13, 2022,[38] the Court granted petitioner's Urgent Motion for Partial Reconsideration admitting in evidence all of petitioner's previously denied exhibits and gave petitioner a period of thirty (30) days from receipt thereof to file its memorandum.

On November 16, 2022, petitioner filed its Memorandum.[39] Thus, on January 11, 2023, the present case was submitted for decision.[40]

ISSUE

The parties stipulated on the following issue:

> Whether petitioner is entitled to the issuance of a TCC in the sum of ₱212,931,584, pertaining to its alleged excess and unutilized CWTs amounting to ₱95,994,335.00 and ₱116,937,249.99, which were generated in CYs 2016 and 2017, respectively.[41]

PARTIES' ARGUMENTS

Petitioner asserts that it is entitled to the issuance of TCC in the amount of ₱212,931,584.00 because:

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[34] Id. 1287-1301.
[35] Id. at 1302-1312.
[36] Id. at 1319-1321.
[37] Id. at 1323-1558.
[38] Id. at 1562-1568.
[39] Docket, Vol. IV, pp.1569-1595.
[40] Id. at 1596.
[41] Docket, Vol. I, at 260.

1. Its unutilized CWTs for CYs 2016 and 2017 were not carried over to CY 2018;

2. The source and documentations of its prior year's excess credits appearing in its CYs 2016 and 2017 Annual ITRs were duly proven during trial;

3. The ICPA conducted a thorough review and verification of its documentary evidence and found no material discrepancies therein;

4. It substantially met the three (3) basic requirements for a claim for refund to prosper;

5. The Court has previously granted petitioner's similar claims in CTA Case Nos. 8262, 8629, and 9024; and,

6. Respondent did not present any controverting evidence to dispute its testimonial and documentary evidence which prove the validity of its claim for issuance of TCC.[42]

On the other hand, respondent counters that petitioner is not entitled to the issuance of a TCC since:

1. Petitioner violated the substance of exhaustion of administrative remedies when it did not give respondent ample to time to ascertain the veracity and validity of its claim, having given respondent only six (6) days from filing of the administrative claim on March 28, 2019 until April 3, 2019 to act on it;

2. In *Philippine Airlines, Inc. vs. Commissioner of Internal Revenue*,[43] the Court of Tax Appeals (CTA) ruled that the filing of the administrative claim one (1) day before the lapse of the period to file the same deprives the administrative agency of the chance to go over the claim filed before it;

3. Absent a denial of petitioner's claim or inaction on the part of respondent, the filing of the judicial claim becomes an attempt to circumvent the role and duties of the CIR in evaluating a taxpayer's claim for refund; and,

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[42] Docket, Vol. IV, pp. 1576-1594.
[43] CTA Case No. 9990, October 21, 2021.

4. Petitioner failed to comply with RMO No. 53-98 and RR No. 2-2006.[44]

COURT'S RULING

The present Petition for Review is impressed with merit.

The inaction of respondent on petitioner's claim for refund of its excess and unutilized CWTs for CYs 2016 and 2017 prompted the filing of the present petition. Section 7(a)(2) of Republic Act (RA) No. 1125, as amended by RA No. 9282[45] vests the CTA of exclusive appellate jurisdiction to review the inaction of respondent in cases involving refunds of internal revenue taxes. Hence, the Court may take cognizance of the present petition.

As laid down by jurisprudence, a taxpayer who seeks a refund of excess and unutilized CWT must:

1. File the claim with the CIR within the two-year period from the date of payment of the tax and the date of filing of the annual ITR;

2. Establish the fact of withholding by a copy of a statement duly issued by the payor to the payee showing the amount paid and the amount of tax withheld; and,

3. Show on the return that the income received was declared as part of the gross income.[46]

In addition, the taxpayer must also show that it validly exercised the refund option in its Annual ITR under Section 76 of the NIRC, as amended.

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[44] Docket, Vol. IV, pp. 128

[45] "SEC. 7. *Jurisdiction*. — The CTA shall exercise:
(a) Exclusive appellate jurisdiction to review by appeal, as herein provided:
xxx
(2) Inaction by the Commissioner of Internal Revenue in cases involving disputed assessments, refunds of internal revenue taxes, fees or other charges, penalties in relation thereto, or other matters arising under the National Internal Revenue Code or other laws administered by the Bureau of Internal Revenue, where the National Internal Revenue Code provides a specific period for action, in which case the inaction shall be deemed a denial;
xxx

[46] Commissioner of Internal Revenue vs. Univation Motor Philippines, Inc. (Formerly Nissan Motor Philippines, Inc.), G.R. No. 231581, April 10, 2019.

Petitioner opted to be refunded

Section 76 of the NIRC, as amended, states:

> "SEC. 76. *Final Adjustment Return.* — Every corporation liable to tax under Section 27 shall file a final adjustment return covering the total taxable income for the preceding calendar or fiscal year. If the sum of the quarterly tax payments made during the said taxable year is not equal to the total tax due on the entire taxable income of that year, the corporation shall either:
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> (A) Pay the balance of tax still due; or
> (B) Carry-over the excess credit; or
> (C) Be credited or refunded with the excess amount paid, as the case may be.
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> In case the corporation is entitled to a tax credit or refund of the excess estimated quarterly income taxes paid, the excess amount shown on its final adjustment return may be carried over and credited against the estimated quarterly income tax liabilities for the taxable quarters of the succeeding taxable years. Once the option to carry-over and apply the excess quarterly income tax against income tax due for the taxable quarters of the succeeding taxable years has been made, such option shall be considered irrevocable for that taxable period and no application for cash refund or issuance of a tax credit certificate shall be allowed therefor."

Pursuant thereto, a corporation entitled to a tax credit or refund of the excess estimated quarterly income taxes paid, essentially, has two (2) options, either: (1) to carry-over the excess credit and apply the same against the estimated quarterly income tax liabilities for the taxable quarters of the succeeding taxable year; or (2) **to apply for a cash refund or issuance of a TCC within the prescribed period**.[47] If the carry-over option is selected, such is irrevocable for that taxable period and no application for cash refund or issuance of tax credit certificate shall be allowed therefor.

In exercising its option, the corporation must signify in its Annual ITR (by marking the option box provided therein) its intention, either to carry over the excess credit or to claim a refund.[48] To ease the administration of tax collection, these remedies are in the alternative, and the choice of one precludes the other.[49]

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[47] *University Physicians Services Inc.-Management, Inc. vs. Commissioner of Internal Revenue*, G.R. No. 205955, March 7, 2018.
[48] *Systra Philippines, Inc. vs. Commissioner of Internal Revenue,* G.R. No. 176290, September 21, 2007.
[49] *Philippine Bank of Communications vs. Commissioner of Internal Revenue, et al.*, G.R. No. 112024, January 28, 1999.

An examination of petitioner's Annual ITRs for CYs 2016[50] and 2017[51] shows that petitioner chose the option to be refunded.

Further examination of its Annual ITRs for CYs 2016 and 2017 reveal that for CY 2016, petitioner reported an income tax overpayment amounting to ₱197,647,413.00 and income tax credits amounting to ₱207,798,367.00 which consist of prior year's excess credit other than the minimum corporate income tax (MCIT) and CWTs for CY 2016. And, for CY 2017, petitioner reported an income tax overpayment amounting to ₱207,248,205.00 and income tax credits amounting to ₱218,590,327.00 which consist of prior year's excess credit other than MCIT and CWTs for CY 2017, as shown below:

	CY 2016	CY 2017
Sales/Revenues/Receipts/Fees	₱ 990,360,225.00	₱ 1,177,582,510.00
Less: Cost of Sales/Services	602,244,210.00	707,081,181.00
Gross Income from Operation	388,116,015.00	470,501,329.00
Add: Non-Operating & Other Taxable Income Not Subject to Final Tax	119,431,670.00	96,604,767.00
Total Gross Income	507,547,685.00	567,106,096.00
Less: Deductions	5,035,353,781.00	4,863,187,491.00
Net Taxable Income (Loss)	**(₱ 4,527,806,096.00)**	**(₱ 4,296,081,395.00)**
RCIT (30%)	-	-
MCIT (2% of gross income)	₱ 10,150,954.00	₱ 11,342,122.00
Income Tax Due	**₱ 10,150,954.00**	**11,342,122.00**
Less: Tax Credits/Payments		
Prior Year's Excess Tax Credits	111,804,032.00	101,653,078.00
Creditable Tax Withheld for the First Three Quarters	30,653,480.00	32,925,320.00
Creditable Tax Withheld for the Fourth Quarter	65,340,855.00	84,011,929.00
Total Tax Credits	207,798,367.00	218,590,327.00
Tax Overpayment	**(₱ 197,647,413.00)**	**(₱ 207,248,205.00)**

The "Prior Year's Excess Credits Other Than MCIT" in petitioner's Annual ITR for CY 2017 shows the amount of ₱101,653,078.00. This amount reflects the excess credits of petitioner from years prior to CY 2016 amounting to ₱111,804,032.00 less the MCIT due for CY 2016 amounting to ₱10,150,954.00. Similarly, the "Prior Year's Excess Credits Other Than MCIT" in petitioner's Annual ITR for CY 2018 shows the amount of ₱90,310,956.00. This amount reflects the excess credits of petitioner from years prior to CY 2017

[50] Line 21, Exhibit "P-12-12".
[51] Line 21, Exhibit "P-12-13".

amounting to ₱101,653,078.00 less the MCIT due for CY 2017 amounting to ₱11,342,122.00.

Furthemore, perusal of petitioner's Annual ITRs for CY 2017 and CY 2018[52] as well as its Quarterly ITRs[53] prove that the alleged unutilized CWT in the amounts of ₱95,994,335.00 and ₱116,937,249.00 were not carried over to the succeeding taxable periods, as claimed by petitioner.[54]

Clearly, the amounts prayed to be refunded in this case had not been carried over to the succeeding taxable periods. The unutilized CWTs for CY 2016 and CY 2017 amounting to ₱212,931,584.00 may accordingly be the subject of a claim for refund.

First requisite: Administrative and judicial claims for refund were timely filed

Sections 204(C) and 229 of the NIRC, as amended, provides the prescriptive period for the filing of the administrative and judicial claims for refund or recovery of tax erroneously or illegally collected, to wit:

> "SEC. 204. *Authority of the Commissioner to Compromise, Abate and Refund or Credit Taxes.* – The Commissioner may –
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> xxx xxx xxx
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> (C) Credit or refund taxes erroneously or illegally received or penalties imposed without authority, refund the value of internal revenue stamps when they are returned in good condition by the purchaser, and, in his discretion, redeem or change unused stamps that have been rendered unfit for use and refund their value upon proof of destruction. No credit or refund of taxes or penalties shall be allowed unless the taxpayer files in writing with the Commissioner a claim for credit or refund within **two (2) years after the payment of the tax** or penalty: *Provided, however*, That a return filed showing an overpayment shall be considered as a written claim for credit or refund.
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> xxx xxx xxx
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> SEC. 229. *Recovery of Tax Erroneously or Illegally Collected.* – No suit or proceeding shall be maintained in any court for the recovery of any national internal revenue tax hereafter alleged to

[52] Exhibit "P-12-17".
[53] Exhibits "P-12-18" to "P12-20".
[54] Docket, Vol. I, p. 13; Docket, Vol. IV, pp. 1571-1573.

> have been erroneously or illegally assessed or collected, or of any penalty claimed to have been collected without authority, or of any sum alleged to have been excessively or in any manner wrongfully collected, until a claim for refund or credit has been duly filed with the Commissioner; but such suit or proceeding may be maintained, whether or not such tax, penalty, or sum has been paid under protest or duress.
>
> In any case, no such suit or proceeding shall be filed after the expiration of **two (2) years from the date of payment of the tax** or penalty regardless of any supervening cause that may arise after payment: *Provided, however*, That the Commissioner may, even without a written claim therefor, refund or credit any tax, where on the face of the return upon which payment was made, such payment appears clearly to have been erroneously paid."

Section 204(C) of the NIRC, as amended, applies to administrative claims for refund, while Section 229 thereof pertains to judicial claims for refund.

A claimant for refund must first file an administrative claim for refund before the CIR, prior to filing a judicial claim before the CTA. Both the administrative and judicial claims for refund should be filed within the two (2)-year prescriptive period indicated therein, and that the claimant is allowed to file the latter even without waiting for the resolution of the former in order to prevent the forfeiture of its claim through prescription. The primary purpose of filing an administrative claim is to serve as a notice or warning to the CIR that court action would follow unless the tax or penalty alleged to have been collected erroneously or illegally is refunded.

While the law provides that the two (2)-year period is counted from the date of payment of the tax, the Supreme Court enunciated in *Commissioner of Internal Revenue vs. Univation Motor Philippines, Inc. (formerly Nissan Motor Philippines, Inc.),*[55] that "**the two-year prescriptive period to claim a refund actually commences to run, at the earliest, on the date of the filing of the adjusted final tax return** because this is where the figures of the gross receipts and deductions have been audited and adjusted, reflective of the results of the operations of a business enterprise. 'Thus, it is only when the Adjustment Return covering the whole year is filed that the taxpayer would know whether a tax is still due or a refund can be claimed based on the adjusted and audited figures.'"

In this case, the relevant dates and periods are tabulated below:

[55] G.R. No. 231581, April 10, 2019.

<table>
<tr><th>CY</th><th>Filing Date of Annual ITR</th><th>End of 2-year period to file administrative claim</th><th>End of 2-year period to file judicial claim</th><th>Filing of Administrative Claim for Issuance of TCC</th><th>Filing of Judicial Claim</th></tr>
<tr><td>2016</td><td>April 6, 2017</td><td colspan="2">April 8, 2019
*April 6, 2019 was a Saturday, the next business day was April 8, 2019, Monday</td><td rowspan="2">March 28, 2019</td><td rowspan="2">April 3, 2019</td></tr>
<tr><td>2017</td><td>April 10, 2018</td><td>June 14, 2020
*the original deadline of April 10, 2020 was extended by RR Nos. 10-2020 (until May 31, 2020) and 11-2020 (until June 14, 2020)</td><td>July 1, 2020
*the period of filing petitions falling due from March 15 – April 15, 2020 was extended by Supreme Court Administrative Circular (AC) No. 31-2020 for 30 days counted from April 16, 2020 and further extended for 30 days from June 1, 2020 by Supreme Court AC No. 39-2020.</td></tr>
</table>

Plainly, petitioner's administrative claim filed on March 28, 2019 and judicial claim filed on April 3, 2019 were made within the two (2)-year prescriptive period in accordance with Sections 204(C) and 229 of the NIRC, as amended. Hence, petitioner satisfied the first requisite for claims for issuance of TCC.

Respondent's assertion that petitioner failed to exhaust administrative remedies since he was not given ample time to review the subject refund application deserve scant consideration.

The Supreme Court has previously rejected such assertion and noted that the controversy is a result of the silence or insufficiency of Section 229 of the NIRC, as amended, on the period for the CIR to decide refund claims, which can only be addressed by appropriate legislation.

In *Commissioner of Internal Revenue vs. Carrier Air Conditioning Philippines, Inc. (Carrier Air Conditioning)*,[56] reiterating the pronouncements in *CBK Power Company Limited vs. Commissioner of Internal Revenue (CBK Power Company)*,[57] the Supreme Court *En Banc* rejected the CIR's submission that the doctrine of exhaustion of administrative remedies was violated when it had barely ten (10) days to review the taxpayer's application for refund prior to the filing of its judicial claim for refund. The Supreme Court categorically held that from the plain language of Section 229 of the NIRC, as amended, it does not matter how far apart the administrative and judicial claims

[56] G.R. No. 226592, July 27, 2021.
[57] G.R. Nos. 193383-84 and 193407-08, January 14, 2015.

were filed, or whether the CIR was actually able to rule on the administrative claim, so long as both claims were filed within the two (2)-year prescriptive period. The Supreme also stated that the CIR's plea for ample time to decide refund claims cannot be addressed by judicial pronouncement but by an appropriate legislation, *viz.*:

> "The sole issue for this Court's resolution is **whether or not the Court of Tax Appeals erred in granting respondent Carrier Air Conditioning Philippines, Inc.'s judicial claim, instead of dismissing the Petition on the grounds of violation of the doctrine of exhaustion of administrative remedies** and lack of cause of action.
>
> xxx xxx xxx
>
> Hence, applying the ruling in *CBK Power Company*, this Court **finds proper respondent's filing of judicial claim <u>10 days</u> after it had filed its administrative claim, even without petitioner's ruling**. The judicial claim was timely filed within the two-year prescriptive period based on the plain language of Section 229 of the 1997 National Internal Revenue Code.
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> III
>
> **A closer reading of Sections 204 and 229 of the 1997 National Internal Revenue Code**, in conjunction with Section 7 of Republic Act No. 9282, **reveals a problem of what is considered a "reasonable period" for the Commissioner of Internal Revenue to act on a claim for refund of taxes**.
>
> Section 229, which requires a prior administrative claim before a judicial claim is filed, recognizes the Commissioner of Internal Revenue's primary jurisdiction to decide refunds of internal revenue taxes. It gives the Commissioner "an opportunity to consider [their] mistake, if mistake has been committed," or to investigate and ascertain the veracity of the claim, before they are sued. This Court in *CBK Power Company*, citing *P.J. Kiener*, held that the primary purpose of filing an administrative claim is to serve as a notice or warning to the Commissioner that court action would follow unless the tax or penalty is refunded. This necessarily implies that the Commissioner has sufficient time to examine, evaluate, and act on the matter within their jurisdiction.
>
> On the other hand, Section 7 of Republic Act No. 9282 grants the Court of Tax Appeals exclusive appellate jurisdiction over a decision or "inaction deemed denial" of the Commissioner in a claim for refund. Under its clear wording, the Court of Tax Appeals can take cognizance of appeals in cases of the Commissioner's "inaction" only where the 1997 National Internal Revenue Code specifically provides a period for the Commissioner to act on a claim for refund. However, unlike in claims for refund of input value-added tax, the 1997 National Internal Revenue Code does not prescribe a specific

period within which the Commissioner must resolve the claim for refund or credit of erroneously paid taxes.

Sections 204 and 229 fixed the same period of two years for filing an administrative claim for refund before the Bureau of Internal Revenue and to sue before the Court of Tax Appeals. *CBK Power Company* explained that as long as these two acts fall within the two-year period, there is no legal impediment to the judicial claim for refund.

Consequently, **from the plain language of the law, it does not matter how far apart the administrative and judicial claims were filed, or whether the Commissioner of Internal Revenue was actually able to rule on the administrative claim, so long as both claims were filed within the two-year prescriptive period.**

Thus, in *CBK Power Company*, as with subsequent cases, this Court upheld the propriety of the taxpayer's judicial claim instituted as early as **five and 13 days** after the administrative claim had been filed, on the ground that both claims were filed within the two-year prescriptive period.

The Court of Tax Appeals likewise allowed judicial claims filed simultaneously, or **one to 28 days** from the administrative claim's filing, on the same ground that both claims were filed within the two-year prescriptive period.

In much earlier cases, however, it was the Commissioner who was considered long delayed in resolving the administrative claims. Hence, this Court has held that the taxpayer need not wait for the Commissioner's decision, and may file its judicial claim when the two-year prescriptive period is about to lapse.

For instance, in *P.J. Kiener*, the taxpayer filed its administrative claim for refund four months after the last payment of the tax sought to be refunded. Yet, the then Collector of Internal Revenue took their time— more than two years—to decide on the claim, so much so that when the taxpayer filed its appeal, its action had already prescribed. This Court held: "*Having filed his claim and the Collector of Internal Revenue having had ample time to study it, the claimant may, indeed should, within the statutory period of two years proceed with his suit without waiting for the Collector's decision.*"

In *Collector of Internal Revenue v. Court of Tax Appeals and Hume Pipe & Asbestos Co., Inc.*, this Court deemed two months as ample time for the Collector to have decided the claim for refund of overpaid income tax. Hence, in that case, it upheld the taxpayer's filing of a petition for review before the Court of Tax Appeals without waiting for the Collector's decision, since the two-year prescriptive period was already about to expire.

In *Commissioner of Customs and Commissioner of Internal Revenue v. The Honorable Court of Tax Appeals and Planters Products, Inc.*, eight months and 10 days had lapsed from the taxpayer's filing of an administrative claim, but the Commissioner had not acted on it. Ruling in the taxpayer's favor, this Court, quoting a ruling of the tax court, said:

> The taxpayer need not wait indefinitely for a decision or ruling which may or may not be forthcoming and which he has no legal right to expect.
>
> . . . .
>
> It is disheartening enough to a taxpayer to keep him waiting for an indefinite period of time for a ruling or decision of the Collector [(now Commissioner)] of Internal Revenue on his claim for refund. It would make matters more exasperating for the taxpayer if we were to close the doors of the courts of justice for such a relief until after the [Commissioner], would have, at his personal convenience, given his go signal.

In these cases, the written claim for refund was duly filed at the administrative level, but the claim had not been acted upon by the Commissioner (then Collector) of Internal Revenue. Since the two-year period was about to lapse, the taxpayer was held justified in filing its judicial claim, without waiting for the Commissioner's decision, to protect its interest. Otherwise, should the Commissioner render an adverse decision after the two-year period, the taxpayer would be barred, to its prejudice, from pursuing its appeal to the Court of Tax Appeals.

These cases show that the lack of a specific period fixed by the law within which the Commissioner must decide the claim has led to delays, to the taxpayer's prejudice. On the other hand, there were instances when the Commissioner was deprived of the opportunity to act on the matter within their jurisdiction because of the short interval between the filing of the administrative claim and the filing of the judicial claim. This is so because the law merely provides two years for a taxpayer to file the administrative claim and judicial claim, with the former required to be filed first.

Nonetheless, the silence or insufficiency in the law on the reasonable period for the Commissioner's action is one that can be addressed not by judicial pronouncement, but by appropriate legislation." (Boldfacing added)

Carrier Air Conditioning decidedly establish that Section 229 of the NIRC, as amended, does not require the CIR to resolve a claim for refund or credit of erroneously paid taxes within a specific period. It also does not matter how far apart the administrative and judicial claims were filed within the two (2)-year prescriptive period.

In the case at bar, with respect to petitioner's refund claim covering CY 2016, had petitioner awaited the action of respondent/BIR on its claim for refund prior to taking court action knowing fully well that the prescriptive period was about to end, it would have lost not only its right to seek judicial recourse but its right to recover its excess and unutilized CWTs erroneously paid to the government thereby suffering irreparable damage.

For petitioner's refund claim covering CY 2017, that was to prescribe in 2020, while it may be argued that petitioner could have waited for the BIR to act on it, the Court cannot, on that basis alone, deny a legitimate claim timely filed in accordance with Section 229 of the NIRC, as amended.

Applying *Carrier Air Conditioning* and the undisputed fact that petitioner filed its administrative claim before appealing to the CTA within the two (2)-year prescriptive period, the Court rules that petitioner did not violate the doctrine of exhaustion of administrative remedies.

To give the CIR a period to decide the administrative claim for refund would go beyond the clear language of Section 229. This matter can be addressed by appropriate legislation, as prescribed by the Supreme Court in *Carrier Air Conditioning*.

Second Requisite: Fact of withholding was established by copies of withholding statements duly issued by the payor

As held by the Supreme Court in the case of *Commissioner of Internal Revenue vs. Philippine National Bank (PNB)*,[58] the certificate of creditable tax withheld at source (CWT certificate) is the competent proof to establish the fact that taxes are withheld, and it is not even necessary for the person who executed and prepared the CWT certificate to be presented and to testify personally to prove the authenticity of the certificates.

Contrary to respondent's argument that petitioner must prove the actual remittance of the taxes withheld, *PNB* categorically ruled that proof of actual remittance is not a condition to claim for refund of unutilized tax credits, *viz.*:

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[58] G.R. No. 180290, September 29, 2014.

"Petitioner's posture that respondent is required to establish actual remittance to the Bureau of Internal Revenue deserves scant consideration. **Proof of actual remittance is not a condition to claim for a refund of unutilized tax credits.** Under Sections 57 and 58 of the 1997 National Internal Revenue Code, as amended, it is the payor-withholding agent, and not the payee-refund claimant such as respondent, who is vested with the responsibility of withholding and remitting income taxes.

This court's ruling in *Commissioner of Internal Revenue v. Asian Transmission Corporation*, citing the Court of Tax Appeals' explanation, is instructive:

> ... **proof of actual remittance by the respondent is not needed in order to prove withholding and remittance of taxes to petitioner.** Section 2.58.3 (B) of Revenue Regulation No. 2-98 clearly provides that proof of remittance is the responsibility of the withholding agent and not of the taxpayer-refund claimant. It should be borne in mind by the petitioner that payors of withholding taxes are by themselves constituted as withholding agents of the BIR. The taxes they withhold are held in trust for the government. In the event that the withholding agents commit fraud against the government by not remitting the taxes so withheld, such act should not prejudice herein respondent who has been duly withheld taxes by the withholding agents acting under government authority. Moreover, pursuant to Sections 57 and 58 of the NIRC of 1997, as amended, the withholding of income tax and the remittance thereof to the BIR is the responsibility of the payor and not the payee. Therefore, respondent ... has no control over the remittance of the taxes withheld from its income by the withholding agent or payor who is the agent of the petitioner. The Certificates of Creditable Tax Withheld at Source issued by the withholding agents of the government are *prima facie* proof of actual payment by herein respondent-payee to the government itself through said agents." (Boldfacing added)

To assist the Court in the validation of the CWT certificates offered in evidence by petitioner, the Court-commissioned ICPA examined such CWT certificates and was able to trace petitioner's revenues totalling **₱1,734,170,654.24**[59] which was subjected by its customers to CWT amounting to **₱212,931,583.21**.[60]

The Court sustains the ICPA's findings, subject to the disallowances as discussed hereunder.

[59] ₱765,114,105.05 for CY 2016 (Exhibit P-15) +₱969,056,549.19 for CY 2017 (Exhibit P-16).
[60] ₱95,994,334.66 for CY 2016 (Exhibit P-15) + ₱116,937,248.55 for CY 2017 (Exhibit P-16).

Upon further evaluation, the Court determined that the CWTs claimed by petitioner amounting to **₱503,853.50** were unsupported by CWT Certificates, as follows:

CY 2016			
Period	**Payor's Name**	**CWT**	
2016 Directors' Fees			
4th Quarter	Ayala Land Inc.	₱	30,000.00
2nd Quarter	Pilipinas Shell Petroleum Corporation		3,000.00
3rd Quarter	Pilipinas Shell Petroleum Corporation		13,235.29
Subtotal – 2016 Directors' Fees		₱	46,235.29
2016 Other Income			
3rd Quarter	Asiacom Philippines Inc.	₱	81.56
Subtotal – 2016 Other Income		₱	81.56
2016 Interest Income – Taxable - Miscellaneous			
1st Quarter	Honda Cars Makati, Inc. (Alabang Branch)	₱	1,582.14
3rd Quarter	Honda Cars Makati, Inc. (Alabang Branch)		668.48
3rd Quarter	Honda Cars Makati, Inc. (Alabang Branch)		413.62
1st Quarter	Honda Cars Makati, Inc.		993.79
2nd Quarter	Honda Cars Makati, Inc.		1,199.92
2nd Quarter	Honda Cars Makati, Inc.		1,220.43
2nd Quarter	Honda Cars Makati, Inc.		999.64
3rd Quarter	Honda Cars Makati, Inc.		841.00
3rd Quarter	Honda Cars Makati, Inc.		674.85
3rd Quarter	Honda Cars Makati, Inc.		506.39
3rd Quarter	Honda Cars Makati, Inc.		297.17
1st Quarter	Honda Cars Makati, Inc. (Pasig Branch)		1,296.72
2nd Quarter	Honda Cars Makati, Inc. (Pasig Branch)		937.20
2nd Quarter	Honda Cars Makati, Inc. (Pasig Branch)		945.88
2nd Quarter	Honda Cars Makati, Inc. (Pasig Branch)		818.78
3rd Quarter	Honda Cars Makati, Inc. (Pasig Branch)		978.02
3rd Quarter	Honda Cars Makati, Inc. (Pasig Branch)		733.73
3rd Quarter	Honda Cars Makati, Inc. (Pasig Branch)		555.91
3rd Quarter	Honda Cars Makati, Inc. (Pasig Branch)		362.39
Subtotal - 2016 Interest Income – Taxable - Miscellaneous		₱	16,026.06
Total Income Payments with no CWT Certificates - 2016		**₱**	**62,342.91**
CY 2017			
Period	**Payor's Name**	**CWT**	
2017 Rent Income			
4th Quarter	Globe Telecoms Inc.	₱	6,234.47
3rd Quarter	Isuzu Cebu Inc. - Mandaue Branch		118,581.63
4th Quarter	Premium Petrol		53,201.66
Subtotal – 2017 Rent Income		₱	178,017.76
2017 Directors' Fees			

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2nd Quarter	BPI Globe Banko Inc., A Savings Bank	₱ 4,500.00
4th Quarter	Pilipinas Shell Petroleum Corporation	11,250.00
4th Quarter	Pilipinas Shell Petroleum Corporation	37,500.00
4th Quarter	Pilipinas Shell Petroleum Corporation	45,000.00
4th Quarter	Pilipinas Shell Petroleum Corporation	45,000.00
4th Quarter	Pilipinas Shell Petroleum Corporation	30,000.00
Subtotal – 2017 Directors' Fees		₱ 173,250.00
2017 Other Income		
4th Quarter	AC Automotive Business Services	₱ 2,544.48
4th Quarter	AC Education Inc.	7,641.22
4th Quarter	AC Energy Holdings Inc.	67,119.83
4th Quarter	Liveit Investments Ltd. - Philippine ROHQ	8,106.96
4th Quarter	Sonoma Services Inc.	4,830.34
Subtotal – 2017 Other Income		₱ 90,242.83
Total Income Payments with no CWT Certificates - 2017		**₱ 441,510.59**

Moreover, for CY 2016, the following CWTs from petitioner's customer "Bank of the Philippine Islands" were being erroneously claimed twice by petitioner:

Period	Payor's Name	Income Payment	CWT
2nd Quarter	Bank of the Philippine Islands	₱ 17,857.14	₱ 3,000.00
2nd Quarter	Bank of the Philippine Islands	17,857.14	3,000.00
Total Erroneous Double Claim		**₱ 35,714.28**	**₱ 6,000.00**

The aforementioned CWTs were traced to Official Receipts (OR) marked as Exhibit Nos. "P-31-179", "P-31-180", "P-31-181", and "P-31-182", and CWT Certificate marked as Exhibit "P-17-143", all showing payment by "South Luzon Thermal Energy Corporation". When traced to petitioner's General Ledger (GL) account, they were erroneously recorded therein as payments from "Bank of the Philippine Islands". Such amounts were already claimed by petitioner under "South Luzon Thermal Energy Corporation", as shown below:

CY 2016				
Period	**Payor's Name**	**Income Payment**	**CWT**	**Exhibit**
2nd Quarter	South Luzon Thermal Energy Corporation	₱ 8,928.57	₱ 1,500.00	"P-17-143"
2nd Quarter	South Luzon Thermal Energy Corporation	8,928.57	1,500.00	"P-17-143"
2nd Quarter	South Luzon Thermal Energy Corporation	8,928.57	1,500.00	"P-17-143"
2nd Quarter	South Luzon Thermal Energy Corporation	8,928.57	1,500.00	"P-17-143"
Total		**₱ 35,714.28**	**₱ 6,000.00**	

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Additionally, it was also noted that the payee's TIN in the CWT certificate marked as Exhibit "P-17-196" was handwritten without authorized countersignature. Likewise, the payee's TIN in the CWT certificate marked as Exhibit "P-18-217" was not indicated:

Exhibit	Customer	CWT
CWT certificate with payee's handwritten TIN without authorized countersignature (CY 2016)		
"P-17-196"	North Luzon Renewable Energy Corp.	₱ 7,722.72
CWT certificate without payee's TIN (CY 2017)		
"P-18-217"	North Luzon Renewable Energy Corp.	7,002.72
Total Invalid CWTs		**₱ 14,725.44**

In sum, the total disallowances stand at ₱524,578.94 for CYs 2016 and 2017:

Disallowances	Amount		Total
	CY 2016	CY 2017	
Not supported by CWT certificates	₱ 62,342.91	₱ 441,510.59	₱ 503,853.50
Erroneous double claim	6,000.00	-	6,000.00
Invalid CWTs	7,722.72	7,002.72	14,725.44
Total Disallowances	**₱ 76,065.63**	**₱ 448,513.31**	**₱ 524,578.94**

Deducting the foregoing total disallowance from petitioner's claim leaves a balance of ₱212,407,005.06 for CYs 2016 and 2017, which may be refunded, *viz.*:

Particulars	Amount		Total
	CY 2016	CY 2017	
Petitioner's Claim	₱ 95,994,335.00	₱ 116,937,249.00	₱ 212,931,584.00
Less: Court Disallowances	76,065.63	448,513.31	524,578.94
Total Valid Claim	**₱ 95,918,269.37**	**₱ 116,488,735.69**	**₱ 212,407,005.06**

Third Requisite: The income was received declared as part of the gross income

The CWT certificates show that the claimed CWTs for CYs 2016 and 2017 were withheld on income payments of ₱765,114,105.05 and ₱969,056,549.19, respectively. These amounts were part of the gross sales/revenues/receipts reported by petitioner in its Annual ITRs for CYs 2016 and 2017 amounting to ₱991,933,606.00 and ₱1,177,582,510.00, respectively.

The revenue sections in the Statements of Comprehensive Income of petitioner's Audited Financial Statements for CYs 2016[61] and 2017[62] show the breakdown of sales/revenue/receipts/fees reflected in its CYs 2016 and 2017 Annual ITRs, as follows:

Particulars	CY 2016	CY 2017
(1) Sale of Goods/Properties	₱ 4,944,491.00	₱ 5,874.845.00
Sale of Services:		
Toll Revenues	148,971,713.00	178,464,133.00
(2) Director's Fees	37,186,817.00	39,022,321.00
(3) Other Income	615,294,020.00	682,566,857.00
(4) Lease of Properties	183,963,183.00	271,654,353.00
(5) Interest Income not subjected to Final Withholding Tax	1,573,382.00	-
Total	**₱ 991,933,606.00**	**₱ 1,177,582,510.00**

The relevant income payments for CYs 2016 and 2017 amounted to ₱765,114,105.05 and ₱969,056,549.19. Said amounts are claimed to be part of the revenues from: (1) Sale of Goods/Properties; (2) Director's Fees; (3) Other Income; (4) Lease of Properties; and (5) Interest Income, in the total amount of ₱842,961,893.00 and ₱999,118,183.76, for CYs 2016 and 2017, respectively.

To prove that the income payments were part of the ₱842,961,893.00 and ₱999,118,183.76 reported income for CYs 2016 and 2017, respectively, petitioner submitted its GLs for Rental Income[63], Director's Fees[64], Other Income[65], and Proceeds of Sale of Other Assets[66] for CYs 2016 and 2017, and Interest Income-Taxable-Miscellaneous[67] and Proceeds of Sale of Land[68] for CYs 2016 and 2017, respectively.

Upon evaluation of the aforementioned GLs, the Court has determined that petitioner sufficiently showed that the income payments upon which the claimed CWTs were based were reported as part of the gross income in its ITRs.

The Court, however, noted that the CWTs in the total amount of **₱29,037,457.52**[69] were erroneously computed based on income

[61] Exhibit "P-33".
[62] Exhibit "P-34".
[63] Exhibit "P-19" and "P-24" for CYs 2016 and 2017.
[64] Exhibit "P-20" and "P-25" for CYs 2016 and 2017.
[65] Exhibit "P-21" and "P-26" for CYs 2016 and 2017.
[66] Exhibit "P-22" and "P-28" for CYs 2016 and 2017.
[67] Exhibit "P-23" for CY 2016.
[68] Exhibit "P-27" for CY 2017.
[69] ₱21,537,619.07 for CY 2016 + ₱7,499,838.45 for CY 2017.

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payments inclusive of VAT, thus, the CWTs are overstated. As such, the corresponding CWTs shall be reduced by **₱3,111,447.10**,[70] using the correct tax base for withholding, computed as follows:

CY 2016							
Exhibit No.	Payor's Name	Income Payment			CWT		
		per CWT Certificate	per GL	Difference	per CWT Certificate	per GL[71]	Difference
2016 Director's Fees							
P-17-50	ALFM Dollar Bond Fund Inc.	₱ 15,000.00	₱ 13,392.86	₱ 1,607.14	₱ 2,250.00	₱ 2,008.93	₱ 241.07
P-17-51	ALFM Dollar Bond Fund Inc.	10,000.00	8,928.57	1,071.43	1,500.00	1,339.29	160.71
P-17-52	ALFM Dollar Bond Fund Inc.	5,000.00	8,928.57	(3,928.57)	750.00	1,339.29	-589.29
P-17-53	ALFM Dollar Bond Fund Inc.	10,000.00	4,464.29	5,535.71	1,500.00	669.64	830.36
P-17-54	ALFM Dollar Bond Fund Inc.	10,000.00	8,928.57	1,071.43	1,500.00	1,339.29	160.71
P-17-55	ALFM Dollar Bond Fund Inc.	10,000.00	8,928.57	1,071.43	1,500.00	1,339.29	160.71
P-17-56	ALFM Euro Bond Fund Inc.	7,500.00	6,696.43	803.57	1,125.00	1,004.46	120.54
P-17-57	ALFM Euro Bond Fund Inc.	2,500.00	2,232.14	267.86	375.00	334.82	40.18
P-17-58	ALFM Euro Bond Fund Inc.	5,000.00	4,464.29	535.71	750.00	669.64	80.36
P-17-59	ALFM Growth Fund Inc.	15,000.00	13,392.86	1,607.14	2,250.00	2,008.93	241.07
P-17-60	ALFM Growth Fund Inc.	10,000.00	8,928.57	1,071.43	1,500.00	1,339.29	160.71
P-17-61	ALFM Growth Fund Inc.	5,000.00	4,464.29	535.71	750.00	669.64	80.36
P-17-62	ALFM Growth Fund Inc.	10,000.00	8,928.57	1,071.43	1,500.00	1,339.29	160.71
P-17-63	ALFM Growth Fund Inc.	10,000.00	8,928.57	1,071.43	1,500.00	1,339.29	160.71
P-17-64	ALFM Growth Fund Inc.	10,000.00	8,928.57	1,071.43	1,500.00	1,339.29	160.71
P-17-65	ALFM Money Market Fund Inc.	7,500.00	6,696.43	803.57	1,125.00	1,004.46	120.54
P-17-66	ALFM Money Market Fund Inc.	2,500.00	2,232.14	267.86	375.00	334.82	40.18
P-17-67	ALFM Money Market Fund Inc.	5,000.00	4,464.29	535.71	750.00	669.64	80.36
P-17-68	ALFM Peso Bond Fund Inc.	45,000.00	40,178.57	4,821.43	6,750.00	6,026.79	723.21
P-17-69	ALFM Peso Bond Fund Inc.	30,000.00	26,785.71	3,214.29	4,500.00	4,017.86	482.14

[70] ₱2,307,892.97 for CY 2016 + ₱803,554.13 for CY 2017.
[71] Court's own computation.

P-17-70	ALFM Peso Bond Fund Inc.	15,000.00	13,392.86	1,607.14	2,250.00	2,008.93	241.07
P-17-71	ALFM Peso Bond Fund Inc.	30,000.00	26,785.71	3,214.29	4,500.00	4,017.86	482.14
P-17-72	ALFM Peso Bond Fund Inc.	30,000.00	26,785.71	3,214.29	4,500.00	4,017.86	482.14
P-17-73	ALFM Peso Bond Fund Inc.	30,000.00	26,785.71	3,214.29	4,500.00	4,017.86	482.14
P-17-74	Ayala Land Inc.	600,000.00	535,714.29	64,285.71	90,000.00	80,357.14	9,642.86
P-17-75	Ayala Land Inc.	3,000,000.00	2,678,571.43	321,428.57	450,000.00	401,785.71	48,214.29
P-17-76	Ayala Land Inc.	600,000.00	535,714.29	64,285.71	90,000.00	80,357.14	9,642.86
P-17-77	Ayala Land Inc.	600,000.00	535,714.29	64,285.71	90,000.00	80,357.14	9,642.86
P-17-78	Ayala Land Inc.	100,000.00	89,285.71	10,714.29	15,000.00	13,392.86	1,607.14
P-17-79	Ayala Land Inc.	100,000.00	89,285.71	10,714.29	15,000.00	13,392.86	1,607.14
P-17-80	Ayala Land Inc.	200,000.00	178,571.43	21,428.57	30,000.00	26,785.71	3,214.29
P-17-81	Ayala Land Inc.	400,000.00	357,142.86	42,857.14	60,000.00	53,571.43	6,428.57
P-17-82	Ayala Land Inc.	600,000.00	535,714.29	64,285.71	90,000.00	80,357.14	9,642.86
P-17-83	Ayala Land Inc.	100,000.00	89,285.71	10,714.29	15,000.00	13,392.86	1,607.14
P-17-84	Ayala Land Inc.	100,000.00	89,285.71	10,714.29	15,000.00	13,392.86	1,607.14
P-17-85	Ayala Land Inc.	200,000.00	178,571.43	21,428.57	30,000.00	26,785.71	3,214.29
P-17-86	Ayala Land Inc.	100,000.00	89,285.71	10,714.29	15,000.00	13,392.86	1,607.14
P-17-87	Bank of the Philippine Islands	260,000.00	232,142.86	27,857.14	39,000.00	34,821.43	4,178.57
P-17-88	Bank of the Philippine Islands	180,000.00	160,714.29	19,285.71	27,000.00	24,107.14	2,892.86
P-17-90	Bank of the Philippine Islands	440,000.00	392,857.14	47,142.86	66,000.00	58,928.57	7,071.43
P-17-89	Bank of the Philippine Islands	5,600,000.00	5,000,000.00	600,000.00	840,000.00	750,000.00	90,000.00
P-17-91	Bank of the Philippine Islands	490,000.00	437,500.00	52,500.00	73,500.00	65,625.00	7,875.00
P-17-92	Bank of the Philippine Islands	290,000.00	258,928.57	31,071.43	43,500.00	38,839.29	4,660.71
P-17-93	Bank of the Philippine Islands	230,000.00	205,357.14	24,642.86	34,500.00	30,803.57	3,696.43
P-17-94	Bank of the Philippine Islands	160,000.00	142,857.14	17,142.86	24,000.00	21,428.57	2,571.43
P-17-95	Bank of the Philippine Islands	350,000.00	312,500.00	37,500.00	52,500.00	46,875.00	5,625.00
P-17-96	Bank of the Philippine Islands	290,000.00	258,928.57	31,071.43	43,500.00	38,839.29	4,660.71
P-17-97	Bank of the Philippine Islands	250,000.00	223,214.29	26,785.71	37,500.00	33,482.14	4,017.86
P-17-98	Bank of the Philippine Islands	440,000.00	392,857.14	47,142.86	66,000.00	58,928.57	7,071.43

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P-17-99	Bank of the Philippine Islands	350,000.00	312,500.00	37,500.00	52,500.00	46,875.00	5,625.00
P-17-100	BPI Asset Management & Trust Corporation	30,000.00	26,785.71	3,214.29	4,500.00	4,017.86	482.14
P-17-101	BPI Capital Corp.	20,000.00	17,857.14	2,142.86	3,000.00	2,678.57	321.43
P-17-103	BPI Capital Corp.	20,000.00	17,857.14	2,142.86	3,000.00	2,678.57	321.43
P-17-102	BPI Capital Corp.	30,000.00	26,785.71	3,214.29	4,500.00	4,017.86	482.14
P-17-104	BPI Capital Corp.	20,000.00	17,857.14	2,142.86	3,000.00	2,678.57	321.43
P-17-105	BPI Capital Corp.	20,000.00	17,857.14	2,142.86	3,000.00	2,678.57	321.43
P-17-106	BPI Capital Corp.	20,000.00	17,857.14	2,142.86	3,000.00	2,678.57	321.43
P-17-107	BPI Capital Corp.	20,000.00	17,857.14	2,142.86	3,000.00	2,678.57	321.43
P-17-108	BPI Family Savings Bank Inc.	40,000.00	35,714.29	4,285.71	6,000.00	5,357.14	642.86
P-17-109	BPI Family Savings Bank Inc.	20,000.00	17,857.14	2,142.86	3,000.00	2,678.57	321.43
P-17-110	BPI Family Savings Bank Inc.	20,000.00	17,857.14	2,142.86	3,000.00	2,678.57	321.43
P-17-111	BPI Family Savings Bank Inc.	40,000.00	35,714.29	4,285.71	6,000.00	5,357.14	642.86
P-17-112	BPI Family Savings Bank Inc.	90,000.00	80,357.14	9,642.86	13,500.00	12,053.57	1,446.43
P-17-113	BPI Family Savings Bank Inc.	20,000.00	17,857.14	2,142.86	3,000.00	2,678.57	321.43
P-17-114	BPI Family Savings Bank Inc.	20,000.00	17,857.14	2,142.86	3,000.00	2,678.57	321.43
P-17-115	BPI Family Savings Bank Inc.	40,000.00	35,714.29	4,285.71	6,000.00	5,357.14	642.86
P-17-116	BPI Family Savings Bank Inc.	20,000.00	17,857.14	2,142.86	3,000.00	2,678.57	321.43
P-17-118	BPI Family Savings Bank Inc.	40,000.00	35,714.29	4,285.71	6,000.00	5,357.14	642.86
P-17-117	BPI Family Savings Bank Inc.	40,000.00	35,714.29	4,285.71	6,000.00	5,357.14	642.86
P-17-119	BPI Globe Banko Inc.	36,000.00	32,142.86	3,857.14	5,400.00	4,821.43	578.57
P-17-120	BPI Globe Banko Inc.	60,000.00	53,571.43	6,428.57	9,000.00	8,035.71	964.29
P-17-121	BPI Globe Banko Inc.	54,000.00	48,214.29	5,785.71	8,100.00	7,232.14	867.86
P-17-122	BPI Globe Banko Inc.	36,000.00	32,142.86	3,857.14	5,400.00	4,821.43	578.57
P-17-123	Integrated Microelectronics Inc	500,000.00	446,428.57	53,571.43	75,000.00	66,964.29	8,035.71
P-17-124	Integrated Microelectronics Inc	400,000.00	357,142.86	42,857.14	60,000.00	53,571.43	6,428.57
P-17-125	Integrated Microelectronics Inc	600,000.00	535,714.29	64,285.71	90,000.00	80,357.14	9,642.86
P-17-126	Integrated Microelectronics Inc	500,000.00	446,428.57	53,571.43	75,000.00	66,964.29	8,035.71

P-17-127	Integrated Microelectronics Inc	400,000.00	357,142.86	42,857.14	60,000.00	53,571.43	6,428.57
P-17-128	Integrated Microelectronics Inc	400,000.00	357,142.86	42,857.14	60,000.00	53,571.43	6,428.57
P-17-129	MWCI	50,000.00	44,642.86	5,357.14	7,500.00	6,696.43	803.57
P-17-129	MWCI	50,000.00	44,642.86	5,357.14	7,500.00	6,696.43	803.57
P-17-129	MWCI	1,625,000.00	1,450,892.86	174,107.14	243,750.00	217,633.93	26,116.07
P-17-130	MWCI	1,800,000.00	1,607,142.86	192,857.14	270,000.00	241,071.43	28,928.57
P-17-131	MWCI	1,300,000.00	1,160,714.29	139,285.71	195,000.00	174,107.14	20,892.86
P-17-132	MWCI	150,000.00	133,928.57	16,071.43	22,500.00	20,089.29	2,410.71
P-17-133	MWCI	1,625,000.00	1,450,892.86	174,107.14	243,750.00	217,633.93	26,116.07
P-17-134	MWCI	1,625,000.00	1,450,892.86	174,107.14	243,750.00	217,633.93	26,116.07
P-17-135	MWCI	1,125,000.00	1,004,464.29	120,535.71	168,750.00	150,669.64	18,080.36
P-17-136	MWCI	50,000.00	44,642.86	5,357.14	7,500.00	6,696.43	803.57
P-17-137	Pilipinas Shell Petroleum Corporation	250,000.00	223,214.29	26,785.71	37,500.00	33,482.14	4,017.86
P-17-137	Pilipinas Shell Petroleum Corporation	40,000.00	35,714.29	4,285.71	6,000.00	5,357.14	642.86
P-17-139	Pilipinas Shell Petroleum Corporation	75,000.00	66,964.29	8,035.71	11,250.00	10,044.64	1,205.36
P-17-139	Pilipinas Shell Petroleum Corporation	250,000.00	223,214.29	26,785.71	37,500.00	33,482.14	4,017.86
P-17-140	Philippine Stock Index Fund	15,000.00	13,392.86	1,607.14	2,250.00	2,008.93	241.07
P-17-141	Philippine Stock Index Fund	5,000.00	4,464.29	535.71	750.00	669.64	80.36
P-17-142	Philippine Stock Index Fund	10,000.00	8,928.57	1,071.43	1,500.00	1,339.29	160.71
P-17-143	South Luzon Thermal Energy Corporation	40,000.00	35,714.28	4,285.72	6,000.00	5,357.14	642.86
P-17-144	South Luzon Thermal Energy Corporation	10,000.00	8,928.57	1,071.43	1,500.00	1,339.29	160.71
P-17-144	South Luzon Thermal Energy Corporation	10,000.00	8,928.57	1,071.43	1,500.00	1,339.29	160.71
P-17-144	South Luzon Thermal Energy Corporation	10,000.00	8,928.57	1,071.43	1,500.00	1,339.29	160.71
P-17-144	South Luzon Thermal Energy Corporation	10,000.00	8,928.57	1,071.43	1,500.00	1,339.29	160.71
P-17-146	South Luzon Thermal Energy Corporation	10,000.00	8,928.57	1,071.43	1,500.00	1,339.29	160.71
P-17-147	South Luzon Thermal Energy Corporation	20,000.00	17,857.14	2,142.86	3,000.00	2,678.57	321.43
P-17-145	South Luzon Thermal Energy Corporation	10,000.00	8,928.57	1,071.43	1,500.00	1,339.29	160.71

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P-17-148	South Luzon Thermal Energy Corporation	20,000.00	17,857.14	2,142.86	3,000.00	2,678.57	321.43
P-17-149	South Luzon Thermal Energy Corporation	30,000.00	26,785.71	3,214.29	4,500.00	4,017.86	482.14
Subtotal – 2016 Directors' Fees		**₱ 30,131,000.00**	**₱ 26,902,678.59**	**₱ 3,228,321.41**	**₱ 4,519,650.00**	**₱ 4,035,401.79**	**₱ 484,248.21**
2016 Other Income							
P-17-172	Bank of the Philippine Islands	₱ 36,333,000.00	₱ 32,440,178.57	₱ 3,892,821.43	₱ 5,449,950.00	₱ 4,866,026.79	₱ 583,923.21
P-17-178	Globe Telecoms Inc.	36,334,000.00	32,441,071.43	3,892,928.57	5,450,100.00	4,866,160.71	583,939.29
P-17-184	Integrated Microelectronics Inc	6,500,000.00	5,803,571.43	696,428.57	975,000.00	870,535.71	104,464.29
P-17-186	Integrated Microelectronics Inc	34,171,568.13	30,510,328.69	3,661,239.44	5,125,735.22	4,576,549.30	549,185.92
Subtotal – 2016 Other Income		**₱113,338,568.13**	**₱101,195,150.12**	**₱12,143,418.01**	**₱17,000,785.22**	**₱15,179,272.52**	**₱1,821,512.70**
2016 Interest Income - Miscellaneous							
P-17-202	Honda Cars Makati, Inc. (Alabang Branch)	₱ 79,501.92	₱ 70,983.86	₱ 8,518.06	₱ 1,590.04	₱ 1,419.68	₱ 170.36
P-17-202	Honda Cars Makati, Inc. (Alabang Branch)	70,470.28	62,919.89	7,550.39	1,409.41	1,258.40	151.01
P-17-202	Honda Cars Makati, Inc. (Alabang Branch)	74,831.48	66,813.82	8,017.66	1,496.63	1,336.28	160.35
P-17-203	Honda Cars Makati, Inc. (Alabang Branch)	72,178.85	64,445.40	7,733.45	1,443.58	1,288.91	154.67
P-17-203	Honda Cars Makati, Inc. (Alabang Branch)	73,286.09	65,434.01	7,852.08	1,465.72	1,308.68	157.04
P-17-203	Honda Cars Makati, Inc. (Alabang Branch)	60,028.61	53,596.97	6,431.64	1,200.57	1,071.94	128.63
P-17-203	Honda Cars Makati, Inc. (Alabang Branch)	56,843.84	50,753.43	6,090.41	1,136.88	1,015.07	121.81
P-17-203	Honda Cars Makati, Inc. (Alabang Branch)	45,725.69	40,826.51	4,899.18	914.51	816.53	97.98
P-17-205	Honda Cars Makati, Inc.	49,232.56	43,957.64	5,274.92	984.65	879.15	105.50
P-17-205	Honda Cars Makati, Inc.	44,287.39	39,542.31	4,745.08	885.75	790.85	94.90
P-17-205	Honda Cars Makati, Inc.	46,235.47	41,281.67	4,953.80	1,250.54	825.63	424.91
P-17-208	Honda Cars Makati, Inc. (Pasig Branch)	64,038.71	57,177.42	6,861.29	1,280.77	1,143.55	137.22
P-17-208	Honda Cars Makati, Inc. (Pasig Branch)	60,004.24	53,575.21	6,429.03	1,200.09	1,071.50	128.59
P-17-208	Honda Cars Makati, Inc.	46,235.50	41,281.69	4,953.81	924.71	825.63	99.08

Exhibit No.	Payor's Name	Income Payment per CWT Certificate	Income Payment per GL	Income Payment Difference	CWT per CWT Certificate	CWT per GL[72]	CWT Difference
	(Pasig Branch)						
Subtotal – 2016 Interest Income - Miscellaneous		**₱ 842,900.63**	**₱ 752,589.83**	**₱ 90,310.80**	**₱ 17,183.85**	**₱ 15,051.80**	**₱ 2,132.05**
Total - CY 2016		**₱144,312,468.76**	**₱128,850,418.54**	**₱ 15,462,050.22**	**₱21,537,619.07**	**₱19,229,726.10**	**₱2,307,892.97**
CY 2017							
Exhibit No.	**Payor's Name**	**Income Payment**			**CWT**		
		per CWT Certificate	**per GL**	**Difference**	**per CWT Certificate**	**per GL[72]**	**Difference**
2017 Directors' Fees							
P-18-67	ALFM Peso Bond Fund Inc.	₱ 30,000.00	₱ 26,785.71	₱ 3,214.29	₱ 4,500.00	₱ 4,017.86	₱ 482.14
P-18-68	ALFM Peso Bond Fund Inc.	15,000.00	13,392.86	1,607.14	2,250.00	2,008.93	241.07
P-18-69	ALFM Peso Bond Fund Inc.	30,000.00	26,785.71	3,214.29	4,500.00	4,017.86	482.14
P-18-70	ALFM Peso Bond Fund Inc.	30,000.00	26,785.71	3,214.29	4,500.00	4,017.86	482.14
P-18-71	ALFM Peso Bond Fund Inc.	15,000.00	13,392.86	1,607.14	2,250.00	2,008.93	241.07
P-18-72	ALFM Peso Bond Fund Inc.	30,000.00	26,785.71	3,214.29	4,500.00	4,017.86	482.14
P-18-73	ALFM Peso Bond Fund Inc.	30,000.00	26,785.71	3,214.29	4,500.00	4,017.86	482.14
P-18-74	ALFM Dollar Bond Fund Inc.	5,000.00	4,464.29	535.71	750.00	669.64	80.36
P-18-75	ALFM Dollar Bond Fund Inc.	10,000.00	8,928.57	1,071.43	1,500.00	1,339.29	160.71
P-18-76	ALFM Dollar Bond Fund Inc.	10,000.00	8,928.57	1,071.43	1,500.00	1,339.29	160.71
P-18-77	ALFM Dollar Bond Fund Inc.	10,000.00	8,928.57	1,071.43	1,500.00	1,339.29	160.71
P-18-78	ALFM Dollar Bond Fund Inc.	5,000.00	4,464.29	535.71	750.00	669.64	80.36
P-18-79	ALFM Dollar Bond Fund Inc.	10,000.00	8,928.57	1,071.43	1,500.00	1,339.29	160.71
P-18-80	ALFM Dollar Bond Fund Inc.	10,000.00	8,928.57	1,071.43	1,500.00	1,339.29	160.71
P-18-81	ALFM Euro Bond Fund Inc.	5,000.00	4,464.29	535.71	750.00	669.64	80.36
P-18-82	ALFM Euro Bond Fund Inc.	2,500.00	2,232.14	267.86	375.00	334.82	40.18
P-18-83	ALFM Euro Bond Fund Inc.	5,000.00	4,464.29	535.71	750.00	669.64	80.36
P-18-84	ALFM Euro Bond Fund Inc.	5,000.00	4,464.29	535.71	750.00	669.64	80.36
P-18-85	ALFM Euro Bond Fund Inc.	2,500.00	2,232.14	267.86	375.00	334.82	40.18

[72] Court's own computation.

P-18-86	ALFM Euro Bond Fund Inc.	5,000.00	4,464.29	535.71	750.00	669.64	80.36
P-18-87	ALFM Growth Fund Inc.	10,000.00	8,928.57	1,071.43	1,500.00	1,339.29	160.71
P-18-88	ALFM Growth Fund Inc.	5,000.00	4,464.29	535.71	750.00	669.64	80.36
P-18-89	ALFM Growth Fund Inc.	10,000.00	8,928.57	1,071.43	1,500.00	1,339.29	160.71
P-18-90	ALFM Growth Fund Inc.	10,000.00	8,928.57	1,071.43	1,500.00	1,339.29	160.71
P-18-91	ALFM Growth Fund Inc.	5,000.00	4,464.29	535.71	750.00	669.64	80.36
P-18-92	ALFM Growth Fund Inc.	10,000.00	8,928.57	1,071.43	1,500.00	1,339.29	160.71
P-18-93	ALFM Growth Fund Inc.	10,000.00	8,928.57	1,071.43	1,500.00	1,339.29	160.71
P-18-94	ALFM Money Market Fund Inc.	5,000.00	4,464.29	535.71	750.00	669.64	80.36
P-18-95	ALFM Money Market Fund Inc.	2,500.00	2,232.14	267.86	375.00	334.82	40.18
P-18-96	ALFM Money Market Fund Inc.	5,000.00	4,464.29	535.71	750.00	669.64	80.36
P-18-97	ALFM Money Market Fund Inc.	5,000.00	4,464.29	535.71	750.00	669.64	80.36
P-18-98	ALFM Money Market Fund Inc.	2,500.00	2,232.14	267.86	375.00	334.82	40.18
P-18-99	ALFM Money Market Fund Inc.	5,000.00	4,464.29	535.71	750.00	669.64	80.36
P-18-100	Ayala Land Inc.	400,000.00	357,142.86	42,857.14	60,000.00	53,571.43	6,428.57
P-18-101	Ayala Land Inc.	100,000.00	89,285.71	10,714.29	15,000.00	13,392.86	1,607.14
P-18-102	Ayala Land Inc.	100,000.00	89,285.71	10,714.29	15,000.00	13,392.86	1,607.14
P-18-103	Ayala Land Inc.	100,000.00	89,285.71	10,714.29	15,000.00	13,392.86	1,607.14
P-18-104	Ayala Land Inc.	600,000.00	535,714.29	64,285.71	90,000.00	80,357.14	9,642.86
P-18-105	Ayala Land Inc.	600,000.00	535,714.29	64,285.71	90,000.00	80,357.14	9,642.86
P-18-106	Ayala Land Inc.	3,000,000.00	2,678,571.43	321,428.57	450,000.00	401,785.71	48,214.29
P-18-107	Ayala Land Inc.	400,000.00	357,142.86	42,857.14	60,000.00	53,571.43	6,428.57
P-18-108	Ayala Land Inc.	600,000.00	535,714.29	64,285.71	90,000.00	80,357.14	9,642.86
P-18-109	Ayala Land Inc.	200,000.00	178,571.43	21,428.57	30,000.00	26,785.71	3,214.29
P-18-110	Ayala Land Inc.	600,000.00	535,714.29	64,285.71	90,000.00	80,357.14	9,642.86
P-18-111	Ayala Land Inc.	200,000.00	178,571.43	21,428.57	30,000.00	26,785.71	3,214.29
P-18-112	Ayala Land Inc.	400,000.00	357,142.86	42,857.14	60,000.00	53,571.43	6,428.57
P-18-113	Ayala Land Inc.	100,000.00	89,285.71	10,714.29	15,000.00	13,392.86	1,607.14
P-18-114	Ayala Land Inc.	100,000.00	89,285.71	10,714.29	15,000.00	13,392.86	1,607.14
P-18-115	Ayala Land Inc.	600,000.00	535,714.29	64,285.71	90,000.00	80,357.14	9,642.86
P-18-116	Bank of the Philippine Islands	320,000.00	285,714.29	34,285.71	48,000.00	42,857.14	5,142.86
P-18-117	Bank of the Philippine Islands	100,000.00	89,285.71	10,714.29	15,000.00	13,392.86	1,607.14

P-18-118	Bank of the Philippine Islands	220,000.00	196,428.57	23,571.43	33,000.00	29,464.29	3,535.71
P-18-119	Bank of the Philippine Islands	6,400,000.00	5,714,285.71	685,714.29	960,000.00	857,142.86	102,857.14
P-18-120	Bank of the Philippine Islands	530,000.00	473,214.29	56,785.71	79,500.00	70,982.14	8,517.86
P-18-121	Bank of the Philippine Islands	460,000.00	410,714.29	49,285.71	69,000.00	61,607.14	7,392.86
P-18-122	Bank of the Philippine Islands	320,000.00	285,714.29	34,285.71	48,000.00	42,857.14	5,142.86
P-18-123	Bank of the Philippine Islands	260,000.00	232,142.86	27,857.14	39,000.00	34,821.43	4,178.57
P-18-124	Bank of the Philippine Islands	70,000.00	62,500.00	7,500.00	10,500.00	9,375.00	1,125.00
P-18-125	Bank of the Philippine Islands	410,000.00	366,071.43	43,928.57	61,500.00	54,910.71	6,589.29
P-18-126	Bank of the Philippine Islands	290,000.00	258,928.57	31,071.43	43,500.00	38,839.29	4,660.71
P-18-127	Bank of the Philippine Islands	290,000.00	258,928.57	31,071.43	43,500.00	38,839.29	4,660.71
P-18-128	Bank of the Philippine Islands	300,000.00	267,857.14	32,142.86	45,000.00	40,178.57	4,821.43
P-18-129	BPI Asset Management & Trust Corporation	30,000.00	26,785.71	3,214.29	4,500.00	4,017.86	482.14
P-18-130	BPI Asset Management & Trust Corporation	30,000.00	26,785.71	3,214.29	4,500.00	4,017.86	482.14
P-18-131	BPI Asset Management & Trust Corporation	30,000.00	26,785.71	3,214.29	4,500.00	4,017.86	482.14
P-18-132	BPI Asset Management & Trust Corporation	30,000.00	26,785.71	3,214.29	4,500.00	4,017.86	482.14
P-18-133	BPI Asset Management & Trust Corporation	30,000.00	26,785.71	3,214.29	4,500.00	4,017.86	482.14
P-18-134	BPI Asset Management & Trust Corporation	60,000.00	53,571.43	6,428.57	9,000.00	8,035.71	964.29
P-18-135	BPI Asset Management & Trust Corporation	30,000.00	26,785.71	3,214.29	4,500.00	4,017.86	482.14
P-18-136	BPI Asset Management & Trust Corporation	30,000.00	26,785.71	3,214.29	4,500.00	4,017.86	482.14
P-18-137	BPI Asset Management & Trust Corporation	30,000.00	26,785.71	3,214.29	4,500.00	4,017.86	482.14
P-18-138	BPI Capital Corporation	20,000.00	17,857.14	2,142.86	3,000.00	2,678.57	321.43
P-18-139	BPI Capital Corporation	20,000.00	17,857.14	2,142.86	3,000.00	2,678.57	321.43
P-18-140	BPI Capital Corporation	20,000.00	17,857.14	2,142.86	3,000.00	2,678.57	321.43

P-18-141	BPI Capital Corporation	20,000.00	17,857.14	2,142.86	3,000.00	2,678.57	321.43
P-18-142	BPI Capital Corporation	20,000.00	17,857.14	2,142.86	3,000.00	2,678.57	321.43
P-18-143	BPI Capital Corporation	10,000.00	8,928.57	1,071.43	1,500.00	1,339.29	160.71
P-18-144	BPI Family Savings Bank Inc.	40,000.00	35,714.29	4,285.71	6,000.00	5,357.14	642.86
P-18-145	BPI Family Savings Bank Inc.	40,000.00	35,714.29	4,285.71	6,000.00	5,357.14	642.86
P-18-146	BPI Family Savings Bank Inc.	40,000.00	35,714.29	4,285.71	6,000.00	5,357.14	642.86
P-18-147	BPI Family Savings Bank Inc.	40,000.00	35,714.29	4,285.71	6,000.00	5,357.14	642.86
P-18-148	BPI Family Savings Bank Inc.	40,000.00	35,714.29	4,285.71	6,000.00	5,357.14	642.86
P-18-149	BPI Family Savings Bank Inc.	70,000.00	62,500.00	7,500.00	10,500.00	9,375.00	1,125.00
P-18-150	BPI Family Savings Bank Inc.	30,000.00	26,785.71	3,214.29	4,500.00	4,017.86	482.14
P-18-151	BPI Family Savings Bank Inc.	30,000.00	26,785.71	3,214.29	4,500.00	4,017.86	482.14
P-18-152	BPI Family Savings Bank Inc.	30,000.00	26,785.71	3,214.29	4,500.00	4,017.86	482.14
P-18-153	BPI Family Savings Bank Inc.	30,000.00	26,785.71	3,214.29	4,500.00	4,017.86	482.14
P-18-154	BPI Family Savings Bank Inc.	30,000.00	26,785.71	3,214.29	4,500.00	4,017.86	482.14
P-18-155	Integrated Microelectronics Inc	500,000.00	446,428.57	53,571.43	75,000.00	66,964.29	8,035.71
P-18-156	Integrated Microelectronics Inc	400,000.00	357,142.86	42,857.14	60,000.00	53,571.43	6,428.57
P-18-157	Integrated Microelectronics Inc	400,000.00	357,142.85	42,857.15	60,000.00	53,571.43	6,428.57
P-18-158	Integrated Microelectronics Inc	500,000.00	446,428.56	53,571.44	75,000.00	66,964.28	8,035.72
P-18-159	Integrated Microelectronics Inc	500,000.00	446,428.57	53,571.43	75,000.00	66,964.29	8,035.71
P-18-160	Manila Water Company Inc. (MWCI)	1,675,000.00	1,495,535.72	179,464.28	251,250.00	224,330.36	26,919.64
P-18-161	Manila Water Company Inc. (MWCI)	100,000.00	89,285.71	10,714.29	15,000.00	13,392.86	1,607.14
P-18-162	Manila Water Company Inc. (MWCI)	150,000.00	133,928.57	16,071.43	22,500.00	20,089.29	2,410.71
P-18-163	Manila Water Company Inc. (MWCI)	50,000.00	44,642.86	5,357.14	7,500.00	6,696.43	803.57
P-18-164	Manila Water Company Inc. (MWCI)	3,000,000.00	2,678,571.43	321,428.57	450,000.00	401,785.71	48,214.29
P-18-165	Manila Water Company Inc. (MWCI)	100,000.00	89,285.71	10,714.29	15,000.00	13,392.86	1,607.14
P-18-166	Manila Water Company Inc. (MWCI)	1,625,000.00	1,450,892.86	174,107.14	243,750.00	217,633.93	26,116.07

P-18-167	Manila Water Company Inc. (MWCI)	1,775,000.00	1,584,821.43	190,178.57	266,250.00	237,723.21	28,526.79
P-18-168	Manila Water Company Inc. (MWCI)	1,625,000.00	1,450,892.86	174,107.14	243,750.00	217,633.93	26,116.07
P-18-169	Manila Water Company Inc. (MWCI)	1,800,000.00	1,607,142.86	192,857.14	270,000.00	241,071.43	28,928.57
P-18-170	Philippine Stock Index Fund	10,000.00	8,928.57	1,071.43	1,500.00	1,339.29	160.71
P-18-171	Philippine Stock Index Fund	5,000.00	4,464.29	535.71	750.00	669.64	80.36
P-18-172	Philippine Stock Index Fund	10,000.00	8,928.57	1,071.43	1,500.00	1,339.29	160.71
P-18-173	Philippine Stock Index Fund	10,000.00	8,928.57	1,071.43	1,500.00	1,339.29	160.71
P-18-174	Philippine Stock Index Fund	5,000.00	4,464.29	535.71	750.00	669.64	80.36
P-18-175	Philippine Stock Index Fund	10,000.00	8,928.57	1,071.43	1,500.00	1,339.29	160.71
P-18-176	Pilipinas Shell Petroleum Corporation	300,000.00	267,857.14	32,142.86	45,000.00	40,178.57	4,821.43
P-18-176	Pilipinas Shell Petroleum Corporation	200,000.00	178,571.43	21,428.57	30,000.00	26,785.71	3,214.29
P-18-177	Pilipinas Shell Petroleum Corporation	200,000.00	178,571.43	21,428.57	30,000.00	26,785.71	3,214.29
P-18-179	South Luzon Thermal Energy Corporation	90,000.00	80,357.13	9,642.87	13,500.00	12,053.57	1,446.43
P-18-180	South Luzon Thermal Energy Corporation	60,000.00	53,571.42	6,428.58	9,000.00	8,035.71	964.29
P-18-181	South Luzon Thermal Energy Corporation	10,000.00	8,928.57	1,071.43	1,500.00	1,339.29	160.71
P-18-182	South Luzon Thermal Energy Corporation	40,000.00	35,714.28	4,285.72	6,000.00	5,357.14	642.86
P-18-183	South Luzon Thermal Energy Corporation	50,000.00	44,642.85	5,357.15	7,500.00	6,696.43	803.57
Subtotal – 2017 Director's Fees		**₱ 34,450,000.00**	**₱ 30,758,928.51**	**₱ 3,691,071.49**	**₱ 5,167,500.00**	**₱ 4,613,839.28**	**₱ 553,660.72**
2017 Other Income							
P-18-208	Integrated Microelectronics Inc	₱ 6,500,000.00	₱ 5,803,571.43	₱ 696,428.57	₱ 975,000.00	₱ 870,535.71	₱ 104,464.29
P-18-209	Integrated Microelectronics Inc	9,048,923.00	8,079,395.54	969,527.46	1,357,338.45	1,211,909.33	145,429.12
Subtotal – 2017 Other Income		₱ 15,548,923.00	₱ 13,882,966.97	₱ 1,665,956.03	₱ 2,332,338.45	₱ 2,082,445.05	₱ 249,893.40
Total – CY 2017		**₱ 49,998,923.00**	**₱ 44,641,895.48**	**₱ 5,357,027.52**	**₱ 7,499,838.45**	**₱ 6,696,284.32**	**₱ 803,554.13**

Although the CWTs were incorrectly computed by petitioner's suppliers based on income payments inclusive of VAT instead of exclusive of VAT, such income payments, exclusive of VAT, were correctly reported in petitioner's GLs and ITRs. Thus, the Court deems it proper to grant only the CWTs corresponding to such income payments that were reported in petitioner's GLs and ITRs for CYs 2016 and 2017.

To summarize, the total disallowances found by the Court amount to **₱3,636,026.04** for CYs 2016 and 2017, to wit:

Disallowances	Amount		Total
	CY 2016	CY 2017	
Not supported by CWT certificates	₱ 62,342.91	₱ 441,510.59	₱ 503,853.50
Erroneous double claim	6,000.00	-	6,000.00
Invalid CWTs	7,722.72	7,002.72	14,725.44
Overstatement of CWT due to incorrect tax base used	2,307,892.97	803,554.13	3,111,447.10
Total Disallowances	**₱ 2,383,958.60**	**₱ 1,252,067.44**	**₱ 3,636,026.04**

Deducting the foregoing total disallowances from petitioner's claim leaves a balance of **₱209,295,557.96**, to wit:

Particulars	Amount		Total
	CY 2016	CY 2017	
Petitioner's Claim	₱ 95,994,335.00	₱ 116,937,249.00	₱ 212,931,584.00
Less: Court Disallowances	2,383,958.60	1,252,067.44	3,636,026.04
Total Valid Claim	**₱ 93,610,376.40**	**₱ 115,685,181.56**	**₱ 209,295,557.96**

In view of the foregoing, petitioner has sufficiently proven its entitlement to the issuance of TCC in the total amount of **₱209,295,557.96** representing its excess and unutilized CWTs for CYs 2016 and 2017.

WHEREFORE, premises considered, the Petition for Review is hereby **PARTIALLY GRANTED**. Respondent is ordered to issue a TCC in favor of petitioner in the reduced amount of **₱209,295,557.96**, representing the latter's total excess and unutilized CWTs for CYs 2016 and 2017.

SO ORDERED.

ROMAN G. DEL ROSARIO
Presiding Justice

WE CONCUR:

CATHERINE T. MANAHAN
Associate Justice

MARIAN IVY F. REYES-FAJARDO
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