REPUBLIC OF THE PHILIPPINES
**COURT OF TAX APPEALS**
QUEZON CITY

**SPECIAL THIRD DIVISION**

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| **DMCI HOLDINGS, INC.,** *Petitioner,* | **CTA Case No. 10784** |
| - versus - | Members: **REYES-FAJARDO,** *Chairperson,* *and* **ANGELES,** *JJ.* |
| **COMMISSIONER OF INTERNAL REVENUE,** *Respondent.* | Promulgated: JUL 14 2026 4:20 p.m. |

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## RESOLUTION

**REYES-FAJARDO, *J.*:**

We resolve petitioner's Motion to Render Judgment Based on Compromise filed on January 12, 2026. It seeks to vacate the Decision promulgated on November 4, 2025, and render judgment based on the perfected compromise, as a necessary consequence of the Certificate of Availment issued by the National Evaluation Board (NEB) pursuant to Revenue Regulations (RR) No. 30- 2002.

On November 4, 2025, the Court promulgated a Decision[1] partially granting petitioner's Petition for Review, to which both parties filed their Motion for Partial Reconsideration.[2]

On January 12, 2026, petitioner filed a Comment with Motion to Render Judgment Based on Compromise (Motion).[3]

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1 *Rollo,* pp. 1186 - 1258.

2 *Id.,* Respondent's Motion for Partial Reconsideration (Re: Decision promulgated on 4 Nov.2025) filed on November 17, 2025, pp. 1259 - 1271; Petitioner's Motion for Partial Reconsideration (of the Decision dtd. Nov 4,2025) filed on November 24, 2025, pp. 1278 - 1288.

3 *Id.,* pp. 1297 - 1304.

Petitioner, in its Motion, states that on October 22, 2025, the Bureau of Internal Revenue issued a Certificate of Availment,[4] signed on respondent's behalf. It claims that the Certificate reflects the approval of its applications for compromise settlement of deficiency taxes for taxable year 2016, in the total amount of ₱199,283,071.13.

Respondent, through its Comment (Re: Motion to Render Judgment Based on Compromise dated 12 January 2026),[5] submits that the instant motion may be resolved in light of prior rulings where the Court recognized an approved administrative compromise settlement, even without the execution of a judicial compromise agreement, and considered the case closed and terminated.

We grant the Motion.

An administrative compromise settlement, under Section 204(A) of the 1997 National Internal Revenue Code (NIRC),[6] as amended, is independent and separate from a judicial compromise agreement.

In *Commissioner of Internal Revenue (CIR) v. Toledo Power Company*,[7] the Supreme Court emphasized that, under Section 204 of the NIRC, as amended, the CIR and the taxpayer may enter into other forms of settlement to compromise or abate tax liability, *viz.*:

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4 *Rollo*, p. 1306.

5 *Id.*, pp. 1319 - 1323.

6 **SEC. 204.** ***Authority of the Commissioner to Compromise, Abate and Refund or Credit Taxes.*** — The Commissioner may —

(A) Compromise the payment of any internal revenue tax, when:

(1) A reasonable doubt as to the validity of the claim against the taxpayer exists; or
(2) The financial position of the taxpayer demonstrates a clear inability to pay the assessed tax.

The compromise settlement of any tax liability shall be subject to the following minimum amounts:

For cases of financial incapacity, a minimum compromise rate equivalent to ten percent (10%) of the basic assessed tax; and

For other cases, a minimum compromise rate equivalent to forty percent (40%) of the basic assessed tax.

Where the basic tax involved exceeds One million pesos (P1,000,000) or where the settlement offered is less than the prescribed minimum rates, the compromise shall be subject to the approval of the Evaluation Board which shall be composed of the Commissioner and the four (4) Deputy Commissioners.

7 G.R. No. 259309, February 13, 2023.

> The NIRC, as amended, provides the procedure for settlement and compromise of tax disputes including limitations on authority, through the BIR. **But the Legislature, in all its wisdom, has never prevented the BIR to use other less formal methods of resolving tax controversy, without going through the tedious process of litigation.** This is precisely why the CIR is vested with authority to compromise or abate any tax liability under Section 204, NIRC at any stage of the proceeding, even criminal violations not involving fraud before the same are filed in court. **As such, the NIRC may enter into informal settlements to write *finis* to any of these cases within the parameters prescribed by law...**
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> Under Article 1305 of the Civil Code, "a contract is a meeting of minds between two persons whereby one binds himself, with respect to the other, to give something or to render some service." On the other hand, Article 1318 of the same code requires the concurrence of the following elements: (1) Consent of the contracting parties; (2) Object certain which is the subject matter of the contract; and (3) Cause of the obligation which is established...
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> On this score, Article 1356 of the Civil Code provides that contracts shall be obligatory in whatever form they may have been entered into, provided all the essential requisites for their validity are present.
>
> Verily, the informal settlement between the parties is generally binding and cannot be undone except in case of falsity or fraud under Section 248(b) of the NIRC.[8]

Here, petitioner offered a compromise settlement, which was accepted and approved by the NEB and respondent, the object of which is petitioner's deficiency tax assessments for taxable year 2016, for the purpose of settling said deficiency tax assessments, thereby putting an end to the 2016 tax controversy between petitioner and respondent. Thus, with the approval and issuance of the Certificate of Availment, a compromise settlement between the parties is deemed perfected.

**WHEREFORE**, petitioner's Motion to Render Judgment Based on Compromise filed on January 12, 2026 is **GRANTED**.

Accordingly, the Decision promulgated on November 4, 2025 is hereby **VACATED.** Petitioner's Motion for Partial Reconsideration (of the Decision dtd. Nov 4, 2025) filed on November 24, 2025 and respondent's Motion for Partial Reconsideration (Re: Decision

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8 Emphasis ours.

promulgated on 4 Nov. 2025) filed on November 17, 2025 are deemed **MOOT AND ACADEMIC**.

CTA Case No. 10784 is hereby declared **CLOSED and TERMINATED.**

**SO ORDERED.**

Marian Ivy F. Reyes-Fajardo
**MARIAN IVY F. REYES-FAJARDO**
Associate Justice

**I CONCUR:**

**HENRY S. ANGELES**
Associate Justice