21-000366-0081

REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

FIRST DIVISION

CTA CASE NO. 10620

FOUNDEVER PHILIPPINES CORPORATION (formerly SITEL PHILIPPINES CORPORATION),
Petitioner,

- versus -

NOTICE OF RESOLUTION

COMMISSIONER OF INTERNAL REVENUE,
Respondent.

To:

OFFICE OF THE SOLICITOR GENERAL
134 Amorsolo Street, Legazpi Village
Makati City

ATTY. AYESHA HANIA B. GUILING-MATANOG
ATTY. MARVEEN B. DE LA PAZ
Bureau of Internal Revenue
Room 703, Litigation Division, BIR National Office Building
Sen. Miriam P. Defensor-Santiago Avenue
Diliman, Quezon City

BANIQUED AND BELLO
Suite 803, 8th Floor, Jollibee Centre
San Miguel Avenue, Ortigas Center
1605 Pasig City

GREETINGS:

You are hereby notified by these presents that on **July 7, 2025,** a Resolution was rendered in the above-entitled case, copy of which is attached hereto.

Quezon City, Philippines, **July 8, 2025.**

Atty. Maria Johoanna F. Chan-Te
Executive Clerk of Court II

REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

FIRST DIVISION

FOUNDEVER PHILIPPINES CORPORATION (formerly SITEL PHILIPPINES CORPORATION),
Petitioner,

- versus -

COMMISSIONER OF INTERNAL REVENUE,
Respondent.

CTA CASE NO. 10620

Members:

DEL ROSARIO, *P.J., Chairperson,*
BACORRO-VILLENA, *and*
CUI-DAVID, *JJ.*

Promulgated:

JUL 07 2025 2:50PM

x---x

RESOLUTION

DEL ROSARIO, P.J.:

This resolves petitioner's **Motion for Reconsideration [of the Decision dated December 11, 2024]** posted on January 13, 2025 and filed via email on January 14, 2025, with respondent's **Comment/ Opposition (Re: Motion for Reconsideration dated 13 January 2025)** filed personally on February 18, 2025 and via email on February 19, 2025.

Petitioner moves for reconsideration of the Decision dated December 11, 2024[1] (assailed Decision) and prays that judgment be rendered declaring petitioner entitled to a refund in the amount of ₱55,390,420.62, representing unutilized input value-added tax (VAT) arising from its domestic purchases of goods (other than capital goods) and services, and purchases of capital goods, attributable to zero-rated transactions for the 1st to 4th quarters of taxable year (TY) 2019 and ordering respondent to grant petitioner a refund in the said amount of ₱55,390,420.62.

---

[1] CTA Docket, Volume IV, pp. 1799-1818.

The dispositive portion of the assailed Decision reads:

> "**WHEREFORE,** in view of the foregoing, the present Petition for Review, filed on October 22, 2021, is hereby **DENIED** for lack of merit.
>
> **SO ORDERED.**"

Petitioner moves for reconsideration of the assailed Decision alleging that the Court erred in: (i) ruling that the Palawan and OJV Technopoint Sites generated the zero-rated sales subject of the present claim for refund, and in requiring the sites to be registered as branches instead of facilities; and, (ii) in holding that petitioner is not a VAT-registered person.

Petitioner raises the following arguments in support of its motion:

1. Petitioner's sites are intended solely to house contact center agents, and cannot operate independently from the head office. Hence, these sites are properly registered as facilities under existing tax rules and regulations; and,

2. Petitioner's registration as a VAT taxpayer extends to its facilities under the single-entity concept.

Respondent, on the other hand, prays for the denial of petitioner's motion and raises the following arguments:

1. Petitioner is not entitled to the claim for input VAT refund; and,

2. The arguments raised by petitioner in the present Motion were previously presented before the Court and were exhaustively addressed in the assailed Decision.

THE COURT'S RULING

After careful evaluation of the parties' arguments, the Court resolves to deny petitioner's Motion for Reconsideration.

The Court finds that the arguments interposed by petitioner are a mere rehash or amplification of its previous arguments in its Petition for Review[2] and Memorandum[3] which were sufficiently considered and addressed by the Court in the assailed Decision.

The pronouncement in *Social Justice Society (SJS) Officers, et al. vs. Lim,*[4] which cited *Ortigas and Co. Ltd. Partnership vs. Judge Velasco,*[5] is instructive:

> "**The grounds relied on being mere reiterations of the issues already passed upon by the Court, there is no need to 'cut and paste' pertinent portions of the Decision or re-write the *ponencia* in accordance with the outline of the instant motion**.
>
> As succinctly put by then Chief Justice Andres R. Narvasa in *Ortigas and Co. Ltd. Partnership v. Judge Velasco* on the effect and disposition of a motion for reconsideration:
>
>> The filing of a motion for reconsideration, authorized by Rule 52 of the Rules of Court, does not impose on the Court the obligation to deal individually and specifically with the grounds relied upon therefor, in much the same way that the Court does in its judgment or final order as regards the issues raised and submitted for decision. This would be a useless formality or ritual invariably involving merely a reiteration of the reasons already set forth in the judgment or final order for rejecting the arguments advanced by the movant; xxx. **It suffices for the Court to deal generally and summarily with the motion for reconsideration, and merely state a legal ground for its denial (Sec. 14, Art. VIII, Constitution); i.e., the motion contains merely a reiteration or rehash of arguments already submitted to and pronounced without merit by the Court in its judgment, or the basic issues have already been passed upon, or the motion discloses no substantial argument or cogent reason to warrant reconsideration or modification of the judgment or final order; or the arguments in the motion are too unsubstantial to require consideration, etc.**" *(Boldfacing supplied)*

In its motion, petitioner alleges that the Court found that petitioner is not a VAT-registered person.

Petitioner is mistaken. There is nothing in the assailed Decision which declares that petitioner is not a VAT-registered entity. In fact, on

---

[2] CTA Docket, Vol. I, pp. 7-37.
[3] CTA Docket, Vol. IV, pp. 1757-1789.
[4] G.R. Nos. 187836 & 187916, March 10, 2015.
[5] G.R. Nos. 109645 & 112564, March 4, 1996.

page 18 of the assailed Decision, the Court held that petitioner is a VAT-registered entity as shown by its Certificate of Registration OCN8RC0000065770. **Truth to tell, it was petitioner's Palawan and OJV Technopoint Sites which were not VAT-registered as stated in pages 13 and 19 of the assailed Decision.**

Anent petitioner's argument that its registration as a VAT taxpayer extends to its facilities under the single-entity concept, the same deserves scant consideration.

Section 236(G) of the National Internal Revenue Code (NIRC) of 1997, as amended by Republic Act (RA) No. 10963,[6] mandates the persons who must be registered for VAT purposes, to wit:

> "SEC. 236. Registration Requirements. –
>
> xxx xxx xxx
>
> (G) Persons Required to Register for Value-Added Tax. -
>
> (1) Any person who, in the course of trade or business, sells, barters or exchanges goods or properties, or engages in the sale or exchange of services, shall be liable to register for Value-added tax if:
>
> (a) His gross sales or receipts for the past twelve (12) months, other than those that are exempt under Section 109(A) to (BB), have exceeded Three million pesos (₱3,000,000); or
>
> (b) There are reasonable grounds to believe that his gross sales or receipts for the next twelve (12) months, other than those that are exempt-under Section 109(A) to (BB), will exceed Three million pesos (₱3,000,000).
>
> (2) **Every person who becomes liable to be registered under paragraph (1) of this Subsection shall register with the Revenue District Office which has jurisdiction over the** head office or **branch of that person,** and shall pay the annual registration fee prescribed in Subsection (B) hereof. **If he fails to register, he shall be liable to pay the tax under Title IV as if he were a VAT-registered person, but without the benefit of input tax credits for the period in which he was not properly registered.**
>
> xxx xxx xxx" *(Emphasis supplied)*

---

[6] Tax Reform for Acceleration and Inclusion (TRAIN) Law.

Relative thereto, Revenue Regulations (RR) No. 07-12[7] which provides for the amended, consolidated, and updated existing revenue regulations concerning the taxpayer's primary registration, states that the registration of VAT as one of the taxpayer's tax types can only be done with the head office, to wit:

"SECTION 9. *Requirement for the Registration of Each Type of Internal Revenue Tax.* – Every person, who is required to register with the BIR under Section 4 of these Regulations, shall register each type of internal revenue tax for which he/it is obligated to file a return or pay taxes due thereon. Such person shall update the BIR for any changes in his/its registration information in accordance with Section 11 hereof.

xxx xxx xxx

For purposes of determining the proper tax type (i.e., whether VAT or other percentage taxes) based on the nature of the business activity of the taxpayer, the following rules shall apply:

i. *VAT Registration, in General.* – **Any person who, in the course of trade or business, sells, barters, exchanges goods or properties, or engages in the sale of services subject to VAT imposed in Sections 106 and 108 of the Code, as amended, shall register the VAT tax type with the BIR district office having jurisdiction over the HO.**

ii. *Mandatory VAT Registration.* – Any person who, in the course of trade or business, sells, barters or exchanges goods or properties or engages in the sale or exchange of services shall be liable to register the VAT tax type if:

1) His gross sales or receipts for the past twelve (12) months, other than those that are exempt under Section 109 (1) (A) to (U) of the Code, as amended, have exceeded One Million Nine Hundred Nineteen Thousand Five Hundred Pesos (P1,919,500.00); or

2) There are reasonable grounds to believe that his gross sales or receipts for the next twelve (12) months, other than those that are exempt under Section 109 (1) (A) to (U) of the Code, as amended, will exceed One Million Nine Hundred Nineteen Thousand Five Hundred Pesos (P1,919,500.00).

Every person who becomes liable to VAT under paragraph (ii) of this Section shall register with the BIR district office which has jurisdiction over his HO. If he fails to register, he shall be liable to pay the output tax under Sections 106 and/or 108 of the Code, as amended, as if he were a VAT-registered person, but without the benefit of input

---

[7] SUBJECT: Amended Consolidated Revenue Regulations on Primary Registration, Updates, And Cancellation.

> tax credits for the period in which he was not properly registered." *(Emphasis supplied)*

While the above Regulations speaks only of the head office VAT registration, in general, with respect to its VAT tax type, nevertheless, Section 236(G) of the NIRC of 1997, as amended, makes it mandatory for the taxpayer's branch to register as VAT entity as well. It makes it obligatory for a taxpayer to register as a VAT person once it meets the gross sales or gross receipts threshold of ₱3,000,000.00 earned either by its head office or branch.

In this case, the gross sales of petitioner's Palawan and OJV Technopoint Sites for TY 2019 already exceeded the threshold of ₱3,000,000.00. Petitioner judicially admitted in paragraphs 13 and 16 of its Memorandum that out of the total zero-rated sales rendered by the contact center agents of its Palawan and OJV Technopoint Sites, the amount of ₱1,882,796,691.72 is relevant to the Petition, *viz.*:

> "13. Out of the total zero-rated sales of ₱3,077,504,946.24, the zero-rated sales to petitioner's non-resident foreign clients, namely, Sitel Operating Corporation, Sitel UK Limited and Sitel Australia Pty Ltd., **rendered by contact center agents of petitioner in petitioner's Palawan Site and Technopoint Site amounting to ₱1,882,796,691.72 is relevant to this instant Petition.**
>
> xxx xxx xxx
>
> 16. Out of the ₱63,113,432.97 input VAT directly attributable to zero-rated sales, only the amount ₱55,390,420.62 is subject of the instant petition. The amount ₱55,390,420.62 pertains to input VAT directly attributable to the zero-rated **sales of services rendered by contact center agents situated or located in petitioner's Palawan and Technopoint Sites, both outside the covered economic zones, broken down as follows:**

Sites	Zero-Rated Sales	Unutilized input VAT
Palawan Site	515,451,960.54	21,994,789.23
Technopoint Site	1,367,344,731.18	33,395,631.39
Total	**1,882,796,691.72**	**55,390,420.62**

> xxx xxx xxx"[8] *(Emphasis supplied)*

Considering that the gross sales in petitioner's Palawan and OJV Technopoint Sites clearly exceeded the ₱3,000,000.00 threshold, these branches must register as VAT taxpayers in the Revenue District Office which has jurisdiction over them pursuant to Section 236(G)(1) and (2) of the NIRC of 1997, as amended.

[8] CTA Docket, Vol. IV, pp. 1760-1761.

The VAT registration of the branches is a requirement for purposes of the claim for refund of input VAT. Petitioner's failure to comply with aforesaid requirement is fatal to its claim.

All told, the Court finds no cogent reason to warrant a modification or reversal of the assailed Decision.

WHEREFORE, premises considered, petitioner's **Motion for Reconsideration [of the Decision dated December 11, 2024]** is hereby **DENIED** for lack of merit.

SO ORDERED.

ROMAN G. DEL ROSARIO
Presiding Justice

WE CONCUR:

JEAN MARIE A. BACORRO-VILLENA
Associate Justice

LANEE S. CUI-DAVID
Associate Justice