Republic of the Philippines
COURT OF TAX APPEALS
Quezon City

SECOND DIVISION

TAGANITO MINING CORPORATION,
Petitioner,

-versus-

COMMISSIONER OF INTERNAL REVENUE,
Respondent.

CTA Case No. 8680

Members:
CASTAÑEDA, JR., Chairperson
CASANOVA, and
COTANGCO-MANALASTAS, J.J.

Promulgated:
MAY 24 2016
4:05 p.m.

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RESOLUTION

CASANOVA, J.:

For resolution of this Court are the following:

1. Respondent's Motion for Partial Reconsideration (Re: Decision promulgated 28 March 2016)[1], filed on April 7, 2016, sans petitioner's comment per Records Verification dated May 11, 2016; and

2. Petitioner's Motion for Partial Reconsideration and/or New Trial[2], filed on April 21, 2016, with respondent's Comment/Opposition (Re: Motion for Partial Reconsideration And/Or New Trial), filed on May 6, 2016.

We shall first discuss petitioner's Motion.

In the said Motion, petitioner claims that it committed an "honest mistake or oversight and excusable negligence" in failing to introduce

[1] Docket (Vol. I), pp. 447-462.
[2] Docket (Vol. II), pp. 465-472.

and offer certain documents in support of its claims for refund. Accordingly, such mistake was caused either by confusion, impression, belief or opinion that the documents reviewed and submitted to the Court already constitute sufficient basis to support its claim. It further contends that, due to the limited time given to the independent Certified Public Accountant (ICPA) to conduct a special audit of petitioner's voluminous supporting documents, it was not able to scrutinize, one by one, the documents submitted by ICPA, given that there was no finding of insufficiency made therein.

Thus, in the interest of justice, petitioner moves for this Court to grant its Motion for New Trial to allow the admission of the following: (i) Supplemental Audit Report by the independent Certified Public Accountant; (ii) documents in support of its 2012 sales; (iii) the reconciliation of petitioner's accumulated input taxes from the years 2008 to 2012, and (iv) Affidavits of Merit of Ms. Lennie A. Terre, petitioner's Vice President for Finance and Ms. Maria Gracia L. Morfe, the Court commissioned ICPA, as well as other documents mentioned therein.

By way of opposition, respondent argues, among others, that the documents sought to be presented are neither newly discovered evidence nor inadvertently omitted due to fraud, accident, mistake or excusable negligence to warrant the reopening of the case.

We find petitioner's Motion for New Trial meritorious.

Section 1, Rule 37 of the 1997 Rules of Civil Procedure provides the basis in filing a Motion for New Trial, to wit:

> **"RULE 37**
> **New Trial or Reconsiderations**
>
> **Section 1.** *Grounds of and period for filing motion for new trial or reconsideration.* — Within the period for taking an appeal, the aggrieved party may move the trial court to set aside the judgment or final order and grant a new trial for one or more of the following causes materially affecting the substantial rights of said party:
>
> (a) Fraud, accident, mistake or excusable negligence which ordinary prudence could not have guarded against

> and by reason of which such aggrieved party has probably been impaired in his rights; or
>
> x x x x."

In relation thereto, Section 8 of Republic Act No. 1125[3] creating the Court of Tax Appeals expressly provides that it shall not be governed strictly by technical rules of evidence, to wit:

> **"Section 8. *Court of record; seal; proceedings.*** - The Court of Tax Appeals shall be a court of record and shall have a seal which shall be judicially noticed. It shall prescribe the form of its writs and other processes. It shall have the power to promulgate rules and regulations for the conduct of the business of the Court, and as may be needful for the uniformity of decisions within its jurisdiction as conferred by law, **but such proceedings shall not be governed strictly by technical rules of evidence**." (Emphases Ours)

Moreover, in cases filed before this Court, the Rules of Court apply only by analogy or in a suppletory[4] character and whenever practicable and convenient shall be liberally construed in order to promote its objective of securing a just, speedy and inexpensive disposition of every action and proceeding.[5]

Considering that the subject pieces of evidence are crucial to arrive at a just determination of this case, *We* deem it proper to allow the reopening of the instant case. After all, the paramount consideration remains the ascertainment of truth.[6]

WHEREFORE, in view of the foregoing, petitioner's Motion for New Trial is hereby **GRANTED**. Accordingly, the presentation of petitioner's additional evidence is set on June 29, 2016 at 9:00 a.m.

In the meantime, the resolution of respondent's Motion for Partial Reconsideration (Re: Decision promulgated 28 March 2016), filed on

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[3] AN ACT CREATING THE COURT OF TAX APPEALS.
[4] Section 3, Rule 1 of the 2005 Revised Rules of the Court of Tax Appeals, as amended.
[5] Calamba Steel Center, Inc. (formerly JS Steel Corporation) vs. Commissioner of Internal Revenue, G.R. No. 151857, April 28, 2005.
[6] BPI-Family Savings Bank, Inc. vs. Court of Appeals, Court of tax Appeals and Commissioner of Internal Revenue, G.R. No. 122480, April 12, 2000.

April 7, 2016, and petitioner's Motion for Partial Reconsideration, filed on April 21, 2016, are hereby **HELD IN ABEYANCE.**

SO ORDERED.

CAESAR A. CASANOVA
Associate Justice

WE CONCUR:

JUANITO C. CASTAÑEDA, JR.
Associate Justice

(On-Leave)
AMELIA R. COTANGCO-MANALASTAS
Associate Justice