REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

SPECIAL THIRD DIVISION

GIC PRIVATE LIMITED (FORMERLY, GOVERNMENT OF SINGAPORE INVESTMENT CORPORATION PRIVATE LIMITED), *Petitioner,*	**CTA Case No. 10460** Members: **REYES-FAJARDO**, *Chairperson,* and **ANGELES**, *JJ.*
- versus -	
COMMISSIONER OF INTERNAL REVENUE, *Respondent.*	Promulgated: FEB 05 2026 4:02 p.m.

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DECISION

REYES-FAJARDO, *J.*:

This Petition for Review[1] dated February 2, 2021 seeks the refund of the amount of ₱6,987,500.00, representing alleged erroneously withheld Final Withholding Tax (FWT) on the interest income derived by GIC Private Limited from its investments in Philippine Treasury Bonds (T-Bonds).

FACTS

Petitioner GIC Private Limited (formerly, Government of Singapore Investment Corporation Private Limited) is a nonresident foreign corporation duly organized and existing under Singapore laws with principal place of business at 168 Robinson Road, #37-01 Capital Tower, Singapore.[2]

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1 Docket, pp. 7-20.
2 Par. 1, Stipulation of Facts, Joint Stipulation of Facts and Issues (JSFI). *Id.* at p. 275.

Petitioner is wholly-owned by the Government of Singapore. Its principal objective is to preserve and enhance the international purchasing power of the Republic of Singapore's reserves. It has authority and mandate from the Republic of Singapore to open and operate custody and current accounts as may be necessary for the safe-keeping of assets and cash under its management. The funds managed by petitioner which are invested in the Philippines are beneficially owned by the Republic of Singapore.[3]

Petitioner is not registered as a corporation or partnership with the Philippine Securities and Exchange Commission, and it is not engaged in trade or business in the Philippines.[4]

Respondent is the duly appointed Commissioner of Internal Revenue, vested with authority, among others, to act upon and approve claims for refund or tax credit of overpaid or erroneously paid internal revenue taxes, including final income tax withheld on interest income, received by non-residents, and with principal office at the 5th Floor, Bureau of Internal Revenue (BIR) National Office Building, Agham Road, Diliman, Quezon City.[5]

Citibank, N.A. (Citibank) is petitioner's custodian of its cash and other assets in the Philippines, including petitioner's investment in T-Bonds,[6] as collectively shown by the following documents:

Document[7]	**Parties to the Document**
Direct Custodial Services Agreement (DCSA) dated May 20, 1999	Petitioner and Citibank, N.A. Subsidiaries, and Affiliates
Amendment Agreement to the DCSA dated April 30, 2000	
Amendment Agreement (No. 2) to the DCSA dated February 16, 2001	
Global Custodial Services Schedule dated March 23, 2009	Petitioner and Citibank, N.A., acting through its Singapore Branch

From January 2019 to February 2019, petitioner received coupons/interest income from its investments in T-Bonds, through

3 Par. 2, Stipulation of Facts, JSFI. *Id.* at pp. 275-276.
4 Par. 3, Stipulation of Facts, JSFI. *Id.* at p. 276.
5 Par. 8, Stipulation of Facts, JSFI. *Id.* at p. 276.
6 Par. 4, Stipulation of Facts, JSFI. *Id.* at p. 276.
7 Exhibits "P-9-a," "P-9-b," "P-9-c," and "P-9-d." *Id.* at pp. 693-716.

Citibank, in the total amount of ₱34,937,500.00, which was subjected to 20% FWT amounting to ₱6,987,500.00. Thus, the net coupon entitlement of petitioner amounted to ₱27,950,000.00, computed as follows:[8]

ISIN	Entitled Holdings	Rate (%)	Payment Date	Gross Benefit	FWT	Net Entitlement
PHY6972FPV67	800,000,000.00	4	Jan. 20, 2019	₱32,000,000.00	₱6,400,000.00	₱25,600,000.00
PHY6972FSD33	100,000,000.00	2.9375	Feb. 2, 2019	2,937,500.00	587,500.00	2,350,000.00
Total				**₱34,937,500.00**	**₱6,987,500.00**	**₱27,950,000.00**

The FWT on interest income derived by petitioner during the period from January 2019 to October 2019 on its investments in T-Bonds were withheld and remitted to the BIR by the Bureau of Treasury (BTr).[9] The BTr is the withholding agent for the FWT due on the interest income of T-Bonds.[10]

On January 20, 2021, petitioner filed with the BIR an administrative claim for refund in the amount of ₱26,275,200.00, representing the FWT erroneously withheld on the interest income during the period from January 2019 to October 2019 on its investments in T-Bonds,[11] which includes the ₱6,987,500.00 FWT for the period January 2019 to February 2019.[12]

On February 2, 2021, petitioner filed a Petition for Review,[13] docketed as CTA Case No. 10460, to which respondent filed his Answer[14] on November 17, 2021.

On February 24, 2022, pre-trial conference was held. There, the parties formulated the issue to be addressed in this case. Further, the schedules for marking of, and presentation of evidence for petitioner were set. In addition, respondent waived his right to present evidence here, among others.[15]

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8 Exhibit "P-10." *Id.* at p. 577.

9 Par. 6, Stipulation of Facts, JSFI. *Id.* at p. 276.

10 Par. 5, Stipulation of Facts, JSFI. *Id.* at p. 276.

11 Par. 7, Stipulation of Facts, JSFI, *id.* at p. 276; and Exhibits "P-5" and "P-5-1," *id.* at pp. 488-512.

12 Exhibit "P-5." *Id.* at p. 489.

13 *Supra* note 1.

14 Docket, pp. 106-110.

15 Order dated February 24, 2022. *Id.* at pp. 268-270.

On March 17, 2022, the parties filed their Joint Stipulation of Facts and Issues,[16] which was admitted and approved through Resolution dated March 30, 2022.[17] Accordingly, a Pre-Trial Order dated April 20, 2022 was issued.[18]

Trial followed.

Petitioner presented: (1) Ms. Marian Taningco,[19] Vice President of the Securities Services Operation of Citibank; (2) Atty. Patricia Nicole Y. Acido,[20] former Associate of petitioner's legal counsel Salvador Llanillo & Bernardo (SLB); and (3) Atty. Leah Francesca M. Castillo,[21] Associate at SLB, as witnesses.

On October 26, 2022, petitioner's Formal Offer of Evidence was filed,[22] to which respondent filed his Comment/Opposition to the Petitioner's Formal Offer of Evidence on November 10, 2022.[23]

Via Resolution dated January 6, 2023,[24] the evidence offered by petitioner were admitted, *except* Exhibits: (1) "P-11-a" and "P-11-b," for failure of the document offered and identified to correspond with the document actually marked; and (2) Exhibits "P-9-a," "P-9-b," "P-9-c," and "P-d," for failure to present the originals for comparison.

On February 22, 2023, petitioner filed its Omnibus Motion A. For Reconsideration (Re: Resolution dated January 6, 2023); B. With Leave of Court to Substitute Exhibit Previously Marked; C. To Set a Commissioner's Hearing; and D. Defer the Filing of Memorandum,[25] *sans* respondent's comment.[26]

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16 *Id.* at pp. 275-281.
17 *Id.* at p. 298.
18 *Id.* at pp. 304-316.
19 Exhibits "P-15" and "P-18," *id.* at pp. 133-150 and 365-370, respectively; Minutes of the hearings held on, and Order dated, May 10, 2022 and October 11, 2022, respectively, *id.* at pp. 321-324 and 417-420, respectively.
20 Exhibit "P-16," *id.* at pp. 151-158; Minutes of the hearing held on, and Order dated, May 10, 2022, *id.* at pp. 321-324.
21 Exhibit "P-17," *id.* at pp. 159-163; Minutes of the hearing held on, and Order dated, May 10, 2022, *id.* at pp. 321-324.
22 *Id.* at pp. 428-444.
23 *Id.* at pp. 591-600.
24 *Id.* at pp. 602-606.
25 *Id.* at pp. 613-621.
26 Records Verification dated April 3, 2023, issued by the Court of Tax Appeals - Judicial Records Division (CTA-JRD). *Id.* at p. 627.

By Resolution dated May 26, 2023,[27] petitioner's Motion with Leave of Court to Substitute Exhibit Previously Marked, Motion to Set a Commissioner's Hearing, and Motion to Defer the Filing of Memorandum were granted. Further, the resolution of petitioner's Motion for Reconsideration was held in abeyance.

In the Resolution dated September 22, 2023,[28] petitioner's Omnibus Motion A. For Reconsideration (Re: Resolution dated January 6, 2023) was partially granted. Accordingly, Exhibits "P-11-a" and "P-11-b" were admitted, while Exhibits "P-9-a," "P-9-b," "P-9-c" and "P-9-d," were still denied admission for failure to present the originals thereof for comparison.

On October 9, 2023, petitioner filed its Omnibus Motion: I. To Reconsider Disallowance of Exhibits "P-9-a" to "P-9-d"; II. To Take Judicial Notice (of Evidence Presented in CTA Case No. 10017) III. To Recall Witness; and IV. To Defer the Filing of Petitioner's Memorandum,[29] *sans* respondent's comment.[30]

On August 7, 2024, petitioner filed a Motion to Set Commissioner's Hearing (Exhibits "P-9-a" to "P-9-d").[31]

Through Resolution dated August 16, 2024,[32] petitioner's Omnibus Motion was partly granted. Specifically, petitioner's Motion II. To Take Judicial Notice (of Evidence Presented in CTA Case No. 10017) was granted and noted, while its alternative prayer III. To Recall Witness was denied for lack of merit. Additionally, petitioner's Motion to Set Commissioner's Hearing (Exhibits "P-9-a" to "P-9-d") was likewise granted.

By Resolution dated October 28, 2024,[33] petitioner's Motion to Reconsider Disallowance of Exhibits "P-9-a" to "P-9-d" was granted. Accordingly, Exhibits "P-9-a" to "P-9-d" were admitted in evidence.

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27 *Id.* at pp. 631-634.
28 *Id.* at pp. 647-653.
29 *Id.* at pp. 654-665.
30 Records Verification Report dated June 21, 2024, issued by CTA-JRD. *Id.* at p. 668.
31 *Id.* at pp. 670-672.
32 *Id.* at pp. 679-684.
33 *Id.* at pp. 719-720.

On February 6, 2025, CTA Case No. 10460 was submitted for decision, considering: (1) respondent's Memorandum filed on February 13, 2023;[34] and (2) petitioner's Memorandum was filed on December 2, 2024.[35]

ISSUE

Is petitioner entitled to the refund of the amount of ₱6,987,000.00, representing its alleged erroneously collected FWT on the interest income derived from its investments in T-Bonds during the period January 2019 to February 2019?

ARGUMENTS

Petitioner argues that the interest income it derived from its investments in T-Bonds during the period January 2019 to February 2019 is exempt from Income Tax under Section 32(B)(7)(a) of the 1997 National Internal Revenue Code (NIRC), as amended. *A fortiori,* said interest income is *not* subject to FWT under Revenue Regulations (RR) No. 2-98, as amended. For this reason, the Bureau of Internal Revenue (BIR) illegally or erroneously collected FWT thereon.

Further, since its administrative and judicial claims for refund were timely instituted under Section 204(C) and 229 of the NIRC, as amended, petitioner concludes that the refund it prayed for in the sum of ₱6,987,000.00 is warranted.

On the other hand, respondent gripes that the interval between the filing of its administrative claim (January 20, 2021) and judicial claim (February 2, 2021) is so near that it was deprive of reasonable opportunity to evaluate the same. Additionally, claims for refund such as this case is strict construed against the claimant like petitioner.

RULING

We grant the Petition.

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[34] *Id.* at pp. 607-612.
[35] *Id.* at pp. 722-748.

First. Was jurisdiction secured over CTA Case No. 10460?

Yes.

Section 7(a)(2) of Republic Act (RA) No. 1125,[36] as amended by RA No. 9282 reads:

> Sec. 7. Jurisdiction. - The CTA shall exercise:
>
> a. **Exclusive appellate jurisdiction to review by appeal**, as herein provided:
>
> ...
>
> 2. **Inaction by the Commissioner of Internal Revenue in cases involving** disputed assessments, **refunds of internal revenue taxes, fees or other charges, penalties in relations 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 of action, in which case the inaction shall be deemed a denial;
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> ...[37]

Section 3(a)(2), Rule 4 of the Revised Rules of the Court of Tax Appeals[38] clarified that the CTA in Division has jurisdiction over the inaction of respondent involving refunds of internal revenue taxes, among others. Among the classes thereof is one premised upon illegal, erroneous, or excessive collection of internal revenue taxes, as recognized in Sections 204(C) and 229 of the NIRC, as amended. *Commissioner of Internal Revenue v. Carrier Air Conditioning Philippines, Inc. (Carrier)*[39] lit on the requirements for Us to acquire jurisdiction over said type of refund case, as follows:

> Section 204 [of the NIRC, as amended] refers to the Commissioner of Internal Revenue's administrative authority to credit or refund erroneously paid or illegally collected taxes. Under this provision, an administrative claim for refund or credit must be filed within two years from payment of the tax.

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36 An Act Creating the Court of Tax Appeals.
37 Boldfacing ours.
38 A.M. 05-11-07-CTA.
39 G.R. No. 226592, July 27, 2021.

> Section 229 [of the NIRC, as amended], on the other hand, requires two conditions for the filing of judicial claims: (1) an administrative claim must be filed first; and (2) the judicial claim must be filed within two years after payment of the tax sought to be refunded.
>
> Reading the two provisions together, both administrative and judicial claims must be filed within the two-year period. Furthermore, the administrative claim must be filed before the judicial claim. This Court has previously declared that "[t]imeliness of the filing of the claim is mandatory and jurisdictional. The [Court of Tax Appeals] cannot take cognizance of a judicial claim for refund file either prematurely or out of time."

In connection with *Carrier, Metropolitan Bank & Trust Company v. Commissioner of Internal Revenue (MBTC)*[40] elucidated that in a refund claim of FWT, the date of remittance thereof is the date of payment for purposes of Sections 204(C) and 229 of the NIRC, as amended.

Here, the BTr remitted to the BIR, the FWT on the first and second coupon payments on February 28, 2019 and March 29, 2019, respectively.[41] Consistent with *Carrier* and *MBTC*, petitioner had two (2) years therefrom, or until February 28, 2021 and March 29, 2021, to file its administrative and judicial claims for refund in said sequence. *Ergo*, the timely filing of its administrative claim for refund on January 20, 2021[42] and Petition for Review on February 2, 2021, clad Us with jurisdiction over CTA Case No. 10460.

Respondent complains that the interval between the filing of its administrative claim (January 20, 2021) and judicial claim (February 2, 2021) is so near that it was deprived of reasonable opportunity to evaluate the same.

The complaint holds no water.

Respondent framed a similar complaint in *Carrier*. In answering respondent's gripe, *Carrier* decreed —

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40 G.R. No. 182582, April 17, 2017.

41 Exhibit "P-14." Docket, p. 589.

42 *Supra* note 12.

> 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.**[43]

The appropriate legislation referred to in *Carrier* was then enacted to assuage respondent's gripe. Specifically, RA No. 11976 amended Sections 204(C)[44] and 229[45] of the NIRC, by fixing a one

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[43] Emphases ours.

[44] SEC. 204. *Authority of the Commissioner to Compromise, Abate and Refund or Credit Taxes.* -...

(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 as provided under Section 229 of this Code: Provided, however, That a return filed showing an overpayment shall be considered as a written claim for credit or refund: Provided, further, that the Commissioner shall process and decide the refund under this provision within one hundred eighty (180) days from date of submission of complete documents in support of the application filed: Provided, furthermore, That should the Commissioner deny, in full or in part, the claim for refund, the Commissioner shall state the legal and/or factual basis for the denial: Provided, finally, That failure on the part of any official, agent, or employee of the BIR to process and decide on the application within the one hundred eighty (180)-day period shall be punishable under Section 269 of this Code.

[45] SEC. 229. *Recovery of Tax Erroneously or Illegally Collected.* –

...

In any case, no such suit or proceeding shall be filed unless there is a full or partial denial of the claim for refund or credit by the Commissioner or there is a failure on the part of the Commissioner to act on the claim within the one hundred eighty (180)-day period hundred eighty (180)-day period from submission of complete supporting documents for the BIR to act on one's claim for refund of illegal, erroneous, or excessive taxes. Yet, these amendments find no application in this case because the refund claim was filed before the BIR on January 20, 2021, or *prior* to effectivity[46] of RA No. 11976. *Lex prospicit, non respicit.* The law looks forward not backward.[47]

Second. Is petitioner entitled to the refund of the amount of ₱6,987,000.00, representing its alleged erroneously collected FWT on the interest income derived from its investments in T-Bonds during the period January 2019 to February 2019?

Yes.

Section 229[48] of the NIRC, as amended, allows the recovery of taxes erroneously or illegally collected. An "erroneous or illegal tax" is defined as one levied without statutory authority, or upon property not subject to taxation or by some officer having no authority to levy the tax, or one which is by some other similar respect illegal.[49] Erroneous or wrongful payment includes excessive payment because they all refer to payment of taxes not legally due.[50] Petitioner tethered its stance of the BIR's erroneous or illegal

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under Section 204 of this Code; 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.

In case of full or partial denial of the claim for tax refund, or the failure on the part of the Commissioner to act on the application within the period prescribed above, the taxpayer affected may, within thirty (30) days from the receipt of the decision denying the claim or after the expiration of the one hundred eighty (180)-day period, appeal the decision with the Court of Tax Appeals.

46 January 22, 2024.

47 See *San Miguel Corporation v. Commissioner of Internal Revenue*, G.R. No. 257697, April 12, 2023.

48 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 have been erroneously or illegally assessed or collected, or of any penalty claimed to have been collected without authority, of any sum alleged to have been excessively or in any manner wrongfully 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.

... (Boldfacing ours)

49 See *Commissioner of Internal Revenue v. Pilipinas Shell Petroleum Corporation*, G.R. No. 188497, April 25, 2012.

50 See *Commissioner of Internal Revenue v. San Roque Power Corporation*, G.R. No. 187485, February 12, 2013.

collection of FWT, on the income tax exemption set forth under Section 32(B)(7)(a) of the NIRC, as amended. Thus:

> Sec. 32. *Gross Income*. —
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> ...
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> (B) *Exclusions from Gross Income*. — The following items shall not be included in gross income and shall be exempt from taxation under this Title:
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> ...
>
> (7) *Miscellaneous Items*. —
>
> (a) *Income Derived by Foreign Government*. — Income derived from investments in the Philippines in loans, stocks, bonds or other domestic securities, or from interest on deposits in banks in the Philippines by (i) foreign governments, **(ii) financing institutions owned, controlled, or enjoying refinancing from foreign governments**, and (iii) international or regional financial institutions established by foreign governments.[51]

To set the IT exemption under Section 32(B)(7)(a) of the NIRC, as amended, in motion, the following conditions must concur: (1) there was income derived from investments in the Philippines in loans, stocks, bonds or domestic securities, or interest income on Philippine bank deposits; and (2) the foregoing gain or income was earned by a foreign government, or financing institutions owned, controlled, or enjoying refinancing from foreign governments, or international or regional financial institutions established by foreign governments.

These conditions were met. Bear in mind:

One. Petitioner earned interest income derived from its investments in Philippine T-Bonds.[52]

Two. Petitioner is a financing institution wholly-owned and controlled by the Government of the Republic of Singapore, as

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51 Emphases ours.

52 *Supra* note 8.

collectively shown by the parties' admission,[53] along with the following documents, to wit:

1. Authenticated Memorandum and Articles of Association of GIC Private Limited (Formerly known as Government of Singapore Investment Corporation Private Limited);[54]

2. Authenticated Certificate Confirming Incorporation of Company under the New Name;[55]

3. Authenticated Certification from Ministry of Finance of Singapore, stating, inter alia, that petitioner is wholly owned by the Government of the Republic of Singapore;[56] and

4. Certification of Non-Registration of Company issued by the Philippine Securities and Exchange Commission (SEC) in favor of petitioner;[57] and

5. Certification of Non-Registration of Company issued by the Philippine SEC in favor of the Government of Singapore Investment Corporation Private Limited.[58]

Ergo, petitioner's interest income derived from investments in T-Bonds is exempt from IT pursuant to Section 32(B)(7)(a) of the NIRC, as amended.

Significantly, petitioner likewise exhibited that the BIR collected ₱6,987,500.00 worth of FWT from its interest income derived from investments in Philippine T-Bonds for the period January 2019 to February 2019.

In Citibank's Entitlement Report for petitioner for the period from January 2019 to December 2020,[59] the latter held two (2) Philippine T-Bonds during the period from January 2019 to February 2019. These bonds yielded interest income in the total amount of ₱34,937,500.00. The foregoing amount was then subjected to 20% FWT amounting to ₱6,987,500.00, leaving the net coupon entitlement in the amount of ₱27,950,000.00. Consider the following presentation:

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53 *Supra* note 2.
54 Exhibit "P-1." Docket, pp. 445-477.
55 Exhibit "P-2." *Id.* at pp. 478-481.
56 Exhibit "P-3." *Id.* at pp. 482-484.
57 Exhibit "P-4." *Id.* at p. 485.
58 Exhibit "P-4-a." *Id.* at pp. 486-487.
59 Exhibit "P-10." *Id.* at p. 577.

ISIN	Security ID	Payment Date	Gross Benefit	Withholding Tax	Net Entitlement
PHY6972FPV67	PIBD2031G171	Jan. 20, 2019	₱ 32,000,000.00	₱ 6,400,000.00	₱ 25,600,000.00
PHY6972FSD33	PIBD2032B183	Feb. 2, 2019	2,937,500.00	587,500.00	2,350,000.00
		Total	₱34,937,500.00	₱6,987,500.00	₱27,950,000.00

To prove that FWT was withheld on petitioner's interest income derived from Philippine T-Bonds for the period January 2019 to February 2019, the following documents were presented:

1. BTr's Statement of Taxes Withheld on the Coupon Due on the T-Bond Holdings of Citibank as Custodian for the period January 2019 to December 2019;[60]

2. Certificate of Final Tax Withheld at Source (BIR Form No. 2306) issued by the BTr in favor of Citibank covering FWT for the period January 1, 2019 to December 31, 2019;[61] and

3. BIR - Revenue Accounting Division (RAD) Certification confirming the receipt of the FWTs on the BTr's coupon payments to Citibank's ROSS Custodian Account specifically applicable to petitioner.[62]

Per Statement of Taxes Withheld,[63] the BTr withheld final income taxes in the total amount of ₱850,039,782.26 from the interest income due on the government securities recorded under Citibank's custody accounts. This coincides with the BIR Form No. 2306[64] prepared by BTr, reflecting the same amount of ₱850,039,782.26 as the total final taxes withheld from the interest payments on government securities to Citibank. In turn, witness Taningco[65] explained that said figure corresponds to the entire final taxes withheld from all T-Bonds holdings of Citibank under its custody accounts for its various clients, including petitioner's holdings.

Glossing over other evidence, too, reveals that the ISINs/Security IDs[66] of petitioner's investments in two (2) Philippine T-Bonds for the period January 2019 to February 2019 as reflected in Citibank's Entitlement Report,[67] were included in the list of securities

60 Exhibit "P-6." *Id.* at pp. 519-525.
61 Exhibit "P-8." *Id.* at p. 543.
62 Exhibit "P-14." *Id.* at p. 589.
63 Exhibit "P-6." *Id.* at at p. 525.
64 Exhibit "P-8." *Id.* at p. 543.
65 Answer to Question No. 37, Exhibit "P-15." *Id.* at pp. 142-143.
66 See immediately preceding table.
67 Exhibit "P-10." Docket, p. 577.

per BTr's Statement of Taxes Withheld,[68] from which the BTr withheld the corresponding FWTs, which were eventually remitted to the BIR.

Above and beyond, the BIR - Revenue Accounting Division validated on its end, the following ISINs of petitioner's securities, *viz.*:[69]

ISIN	BIR JEV NO.	DATE
PIBD2031G171	2019-02-000317	02-28-2019
PIBD2032B183	2019-03-000472	03-29-2019

Summing it up, the BIR Form No. 2306 issued by the BTr in favor of Citibank covering the subject FWT, alongside other corroborating documents, adequately proved that the ₱6,987,500.00 worth of FWT was withheld from petitioner's interest income derived from its investments in Philippine T-Bonds for the period January 2019 to February 2019. Since petitioner is excused from IT on the interest income derived from its investments in Philippine T-Bonds pursuant to Section 32(B)(7)(a) of the NIRC, as amended, the foregoing amount is an illegal and erroneous tax. Being an illegal and erroneous tax, the refund thereof in petitioner's favor is in order.

ACCORDINGLY, the Petition for Review dated February 2, 2021 is **GRANTED**. Respondent is **DIRECTED** to **REFUND** petitioner, the amount of **₱6,987,500.00**, representing the Final Withholding Tax illegally and erroneously withheld from the interest income derived by petitioner from its investments in Philippine Treasury Bonds, during the period January 2019 to February 2019.

SO ORDERED.

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

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[68] Exhibit "P-6." *Id.* at p. 519.
[69] Exhibit "P-14." *Id.* at p. 589.

I CONCUR:

HENRY S. ANGELES
Associate Justice

ATTESTATION

I attest 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's Division.

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

CERTIFICATION

Pursuant to Article VIII, Section 13 of the Constitution, and the Special Third Division Chairperson's Attestation, 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's Division.

MA. BELEN M. RINGPIS-LIBAN
Presiding Justice