REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

SECOND DIVISION

FORD GROUP PHILIPPINES, INC., Petitioner,	**CTA CASE NO. 10805**
	Members:
- versus -	**RINGPIS-LIBAN**, *Chairperson,* **MODESTO-SAN PEDRO**, *and* **FERRER-FLORES**, *JJ.*
COMMISSIONER OF INTERNAL REVENUE, Respondent.	Promulgated: AUG 14 2025 10:30 AM

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RESOLUTION

***MODESTO-SAN PEDRO, J.*:**

For the Court's resolution is respondent's *Motion for Reconsideration (of the Decision dated April 4, 2025)*, filed on May 7, 2025, with petitioner's *Comment and Opposition (to the Motion for Reconsideration dated May 7, 2025)*, filed on June 13, 2025.

The Motion lacks merit.

Anent respondent's argument that petitioner failed to prove that the automobiles and spare parts were "used exclusively within the subject special Freeport Zones", the same is untenable. As discussed in the assailed Decision, dated April 4, 2025, these were sold to Ford Subic and Ford Clark, who are "[engaged] in the business of sale and distribution of motor vehicles, spare parts, accessories, tires, batteries, and other related products" and exclusively operating a FOR automotive dealership and related services", respectively, in the ECOZONE. The automobiles and spare parts sold by petitioner were thus to be sold *within the ECOZONE* and thus used exclusively within it.

To have petitioner then track these automobiles and spare parts throughout their lifetimes is too restrictive a requirement. Would petitioner then have to ensure that Ford Subic's and Ford Clark's customers do not sell said automobiles second hand to users outside the ECOZONE, and further track these as they are sold third-hand, fourth-hand, and so on? This would put an unreasonable burden on those who should otherwise enjoy the VAT zero-rating provided by law.

Respondent's argument that he complied with the "minimal" requirements of due process is also absent of merit. First, the very idea of "minimal" requirements is nonsense. It assumes that some requirements can be ignored. But a requirement is, tautologically, a requirement—it cannot be ignored. Respondent cannot comply with only some requirements, violate others, and then claim to have complied with some convenient set of "minimal requirements."

In any event, one of the "minimal" requirements identified by respondent is that a taxpayer be informed of the law and facts on which the assessment against it is based. But this is precisely what respondent failed to do when he failed to identify the factual and legal basis for the disallowance at issue. While he claims to have included this, respondent does not even point to a specific section of the Formal Letter of Demand that shows the basis for said disallowance. Respondent cannot, for example, explain *one* part of the assessment, leave all others completely unexplained, and then expect these other parts to be upheld. Since that specific disallowance was not explained, since respondent failed to identify a specific portion of his issuances that identifies the disallowance's basis, said disallowance must be cancelled.

Neither can respondent's invocation of *general* statements about due process salvage his violation of a *specific* due process requirement concerning a *specific* part of the assessment.

In short, the Motion discloses no convincing reason to reverse Our ruling.

ACCORDINGLY, respondent's *Motion for Reconsideration (of the Decision dated April 4, 2025)*, filed on May 7, 2025, is hereby **DENIED** for lack of merit.

SO ORDERED.

MARIA ROWENA MODESTO-SAN PEDRO
Associate Justice

WE CONCUR:

On leave
MA. BELEN M. RINGPIS-LIBAN
Associate Justice

CORAZON G. FERRER-FLORES
Associate Justice