CTA Form No. 8

19-000289-0067

REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

FIRST DIVISION

CTA CASE NO. 10097

BANGKO SENTRAL NG PILIPINAS,
Petitioner,

- versus -

COMMISSIONER OF INTERNAL REVENUE,
Respondent.

NOTICE OF AMENDED DECISION

To:

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

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GREETINGS:

You are hereby notified by these presents that on **February 6, 2026,** an Amended Decision was rendered in the above-entitled case, copy of which is attached hereto.

Quezon City, Philippines, **February 9, 2026.**

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

REPUBLIC OF THE PHILIPPINES
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QUEZON CITY

FIRST DIVISION

BANGKO SENTRAL NG PILIPINAS, *Petitioner,*	**CTA Case No. 10097**
	Members:
- versus -	**RINGPIS-LIBAN,** *PJ, Chairperson,* **REYES-FAJARDO,** and **ANGELES,** *JJ.*
COMMISSIONER OF INTERNAL REVENUE, *Respondent.*	Promulgated: FEB 0 6 2026; 11:20AM

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AMENDED DECISION

REYES-FAJARDO, *J*.:

This is a remanded case to determine Bangko Sentral ng Pilipinas' refundable amount of Documentary Stamp Tax (DST) and penalties, pursuant to the majority's directive in the Decision dated July 19, 2024 in CTA EB No. 2732 entitled "Bangko Sentral ng Pilipinas v. Commissioner of Internal Revenue."

FACTS

Petitioner Bangko Sentral ng Pilipinas (BSP) is a government instrumentality created and operating by virtue of Republic Act (RA) No. 7653 (The New Central Bank Act), as amended by RA No. 11211, with principal office at A. Mabini corner P. Ocampo Streets, Malate Manila.[1]

Respondent is the Commissioner of Internal Revenue, with address at Room 703, BIR National Office Building, BIR Road, Diliman, Quezon City. He was duly appointed and empowered to

[1] Par. 4, Petition for Review. Docket (Vol. I), p. 11.

perform the duties of his office, including, among others, the duty to act on and approve claims for refund or issue the tax credit certificate as provided by law.[2]

In the Resolution No. 779, petitioner's Monetary Board (MB) banned Community Rural Bank of Dalaguete (Cebu), Inc. (CRBD) from doing business in the Philippines. CRBD's assets and affairs were also placed under receivership.[3]

In the Resolution No. 345, petitioner's MB ordered the liquidation of CRBD in accordance with the master liquidation plan for banks,[4] with PDIC as CRBD's receiver/ liquidator.[5]

In the proceedings for Petition for Assistance in the Liquidation of CRBD before Branch 11, Regional Trial Court of Cebu City (RTC-Cebu), PDIC filed a Motion for Approval of Final Project Distribution of the Assets of CRBD, and for Termination of Liquidation Proceedings (Motion) dated May 25, 2005.[6]

By Order dated February 2, 2006, the RTC-Cebu granted PDIC's Motion.[7] In accordance with PDIC's Motion,[8] three (3) Deeds of Assignment all dated October 24, 2011 were executed by and between PDIC and petitioner, whereby the former assigned to the latter three (3) real properties in Argao, Cebu, the details of which are as follows:

	Location	Tax Declaration (TD) No.	OCT/TCT No.
Deed of Assignment dated October 24, 2011[9]	Balisong, Argao, Cebu	04580[10]	OCT No. 18346[11]
Deed of Assignment dated October 24, 2011[12]	Balisong Argao, Cebu	04581[13]	TCT No. P-1409[14]
Deed of Assignment dated October 24, 2011[15]	Tulic, Argao, Cebu	28255[16]	-

2 Par. 1, Joint Stipulation of Facts and Issues. *Id.* at p. 358.
3 Exhibit "P-1," *id.* at pp. 32-33.
4 Exhibit "P-2," *id.* at pp. 34-35.
5 Exhibit "P-3," *id.* at pp. 35-36.
6 Exhibit "P-4," *id.* at pp. 39-45.
7 Exhibit "P-24," docket (Vol. II), p. 874.
8 Exhibit "P-4," docket (Vol I), p. 51.
9 Exhibit "P-5," *id.* at pp. 86-88.
10 Exhibit "P-8," *id.* at pp. 77-78.
11 Exhibit "P-8," *id.* at pp. 74-76.
12 Exhibit "P-6," *id.* at pp. 89-91.
13 Exhibit "P-9," *id.* at pp. 82-83.
14 Exhibit "P-9," *id.* at pp. 79-81.

The Bureau of Internal Revenue (BIR) issued three (3) One Time Transaction (ONETT) Sheets, computing the DST, surcharge, and interest for the above transactions in the total amount of ₱68,758.95, which was allegedly paid under protest[17] by petitioner, summarized below:

ONETT Computation Sheet for:	Disbursement Voucher No.	Credit Advice Ticket No.	Amount of DST and penalties
OCT No. 18346[18]	AMD-17-PSD-272[19]	1308[20]	₱21,357.20
TCT No. P-1409[21]	AMD-17-FSD-268[22]	1308[23]	25,042.25
TD No. 28255[24]	AMD-17-PSD-271[25]	1307[26]	22,359.50
TOTAL			**₱68,758.95**

On November 29, 2017, petitioner filed three (3) separate administrative claims for refund of the DST, surcharge, and interest it allegedly paid on the three (3) real properties covered by OCT No. 18346, TCT No. P-1409, and TD No. 28255 in the total amount of ₱68,758.95.[27]

On June 27, 2019, petitioner filed a Petition for Review before the Court,[28] to which respondent filed an Answer[29] on September 25, 2019.

On September 22, 2022, an *original* Decision[30] was rendered, the *fallo* of which states:

> **WHEREFORE**, the Petition for Review dated June 26, 2019, filed by the Bangko Sentral ng Pilipinas, is **DISMISSED**, for lack of jurisdiction.

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15 Exhibit "P-7," *id.* at pp. 92-94.
16 Exhibit "P-10," *id.* at pp. 84-85.
17 *Infra* note 27.
18 Exhibit "P-11," *id.* at p. 95.
19 Exhibit "P-14," *id.* at p. 98
20 Exhibit "P-17," *id.* at p. 101.
21 Exhibit "P-12," *id.* at p. 96.
22 Exhibit "P-15," *id.* at p. 99
23 Exhibit "P-18," *id.* at p. 102.
24 Exhibit "P-13," *id.* at p. 97.
25 Exhibit "P-16," *id.* at p. 100.
26 Exhibit "P-19," *id.* at p. 103.
27 Exhibits "P-24," *id.* at p. 109; "P-25," *id.* at p. 110; and "P-26," *id.* at p. 111.
28 *Id.* at pp. 10-25.
29 *Id.* at pp. 146-150.
30 Docket (Vol. III), pp. 1551-1564.

SO ORDERED.

Petitioner moved,[31] but failed[32] to initially obtain reversal of the *original* Decision; precisely, petitioner appealed[33] with the CTA *En Banc*, docketed as CTA EB No. 2732.

By Decision[34] dated July 24, 2024, CTA EB No. 2732 was disposed as follows:

> **WHEREFORE**, premises considered, the instant "Petition for Review" is **GRANTED**. The Decision dated September 22, 2022 and Resolution dated January 30, 2023 issued by the Court of Tax Appeals First Division are **REVERSED** and **SET ASIDE**.
>
> Accordingly, let this case be remanded to the Court in Division for the determination of the refundable amount with due and deliberate dispatch.
>
> **SO ORDERED.**

On March 31, 2025, the Receiving Unit of the Court of Tax Appeals - Judicial Records Division (CTA-JRD) received a copy of Entry of Judgment in CTA EB No. 2732.[35]

ISSUE[36]

Is petitioner entitled to a refund in the total amount of Sixty-Eight Thousand Seven Hundred Fifty-Eight Pesos and Ninety-Five Centavos (₱68,768.95) representing illegally or erroneously collected DST and penalties?

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31 Petitioner's Motion for Reconsideration [of the *Decision* dated 22 September 2022]. *Id.* at pp. 1569-1591.

32 Resolution dated January 30, 2023. *Id.* at pp. 1606-1608.

33 Petition for Review in CTA EB No. 2732. *Id.* at pp. 1611-1642.

34 Penned by Associate Justice [now Presiding Justice] Ma. Belen M. Ringpis-Liban; Presiding Justice Roman G. Del Rosario (Ret.), Associate Justices Jean Marie A. Bacorro-Villena, Maria Rowena Modesto-San Pedro, and Henry S. Angeles, concurring. On the other hand, Associate Justice Corazon G. Ferrer-Flores wrote a Dissenting Opinion, with Associate Justices Catherine T. Manahan (Ret.) and Marian Ivy F. Reyes-Fajardo joining said dissent. Associate Justice Lanee S. Cui-David was on official leave.

35 Docket, p. 1976,

36 Roman Numeral V, Joint Stipulation of Facts and Issues. Docket (Vol. I), p. 267.

ARGUMENTS

Petitioner argues that under Section 229 of the NIRC, as amended, erroneously or illegally collected taxes and penalties may be the subject of refund. In relation thereto, petitioner points out that in Section 199(l) of the same Code, all contracts, deeds, documents and transactions related to the conduct of petitioner's business is excused from DST liability. Given that petitioner paid the DST subject of this case to consolidate its title over the three (3) real properties in Argao, Cebu, no DST shall be due on such transaction. On that account, the DST and penalties were illegally or erroneously collected by respondent from petitioner; hence, the allowance of its refund claim is warranted.

On the other hand, respondent counters that tax refunds partake the nature of tax exemptions; thus, the refund claimant such as petitioner has the burden of proof to establish the factual and legal basis of its claim. For petitioner's failure to establish the presence of all the requisites of the refund prayed for, its claim must be rejected.

RULING

The Petition has merit.

For one to successfully prosecute a claim for refund or credit of illegally, erroneously, or excessively collected internal revenue taxes and penalties, Sections 204(C) and 229 of the NIRC, as amended, must be observed. These provisions read:

> SEC. 204. *Authority of the Commissioner to Compromise, Abate and Refund or Credit Taxes.* - The Commissioner may -
>
> ...
>
> (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**: *Provided, however,* That a return filed showing an overpayment shall be considered as a written claim for credit or refund.
>
> ...
>
> 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, 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.
>
> **In any case, no such suit or proceeding shall be filed after the expiration of two (2) years from the date of payment of the tax or penalty regardless of any supervening cause that may arise after payment**: *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.[37]

In *Commissioner of Internal Revenue v. Carrier Air Conditioning Philippines, Inc. (Carrier),* [38] the Supreme Court interpreted the foregoing provisions, in the following fashion:

> 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.
>
> 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

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37 Emphases ours.

38 G.R. No. 226592, July 27, 2021.

[Court of Tax Appeals] cannot take cognizance of a judicial claim for refund file either prematurely or out of time."

Here, the DST and penalties subject of petitioner's refund claim were paid on June 30, 2017. Consider the following presentation:

ONETT Computation Sheet for:	Disbursement Voucher No.	Credit Advice Ticket No.	Amount of DST and penalties	Date of Payment
OCT No. 18346[39]	AMD-17-PSD-272[40]	1308[41]	₱21,357.20[42]	June 30, 2017
TCT No. P-1409[43]	AMD-17-FSD-268[44]	1308[45]	25,042.25[46]	June 30, 2017
TD No. 28255[47]	AMD-17-PSD-271[48]	1307[49]	22,359.50[50]	June 30, 2017
TOTAL			**₱68,758.95**	

Counting two (2) years from June 30, 2017, petitioner had until June 30, 2019 to lodge both its administrative and judicial claims for refund or credit in said sequence. Since petitioner timely filed its: (1) administrative claims on November 29, 2017[51] and; (2) judicial claim on June 27, 2019,[52] the merits of CTA Case No. 10097 may perforce be addressed.

The next question—did the BIR err in collecting said DST and penalties on petitioner?

Yes.

Section 229[53] 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

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39 Exhibit "P-11." Docket, p. 95.
40 Exhibit "P-14," *id.* at p. 98
41 Exhibit "P-17," *id.* at p. 101.
42 Per DST Form 2000-OT for TCT No. 18346/TD No. 04580 (Exhibit "P-20). *Id.* at p. 104.
43 Exhibit "P-12," *id.* at p. 96.
44 Exhibit "P-15," *id.* at p. 99
45 Exhibit "P-18," *id.* at p. 102.
46 Per DST Form 2000-OT for TCT No. P-1409/TD No. 04581 (Exhibit "P-21"). *Id.* at p. 105
47 Exhibit "P-13," *id.* at p. 97.
48 Exhibit "P-16," *id.* at p. 100.
49 Exhibit "P-19," *id.* at p. 103.
50 Per DST Form 2000-OT for TD No. 28255 (Exhibit "P-22"). *Id.* at p. 106.
51 *Supra* note 27.
52 *Supra* note 28.
53 The full text of this provision is found on page 6 of this Amended Decision.

authority to levy the tax, or one which is by some other similar respect illegal.[54] Erroneous or wrongful payment includes excessive payment because they all refer to payment of taxes not legally due.[55]

Petitioner argues that the BIR erred in collecting DST and penalties on the assignments of real properties made by PDIC to it, because said transactions are exempted from DST under Section 199(l) of the NIRC, as amended.

The argument is sound.

Section 199(l) of the NIRC, as amended, provides:

> SEC. 199. *Documents and Papers Not Subject to Stamp Tax.* - The provisions of Section 173 to the contrary notwithstanding, **the following instruments, documents and papers shall be exempt from the documentary stamp tax:**
>
> ...
>
> (l) All contracts, **deeds, documents and transactions related to the conduct of business of the Bangko Sentral ng Pilipinas.**[56]

Section 199(l) of the NIRC, as amended, is clear—deeds, documents, transactions related to the conduct of petitioner's business is not subject to DST.

Here, by three (3) Deeds of Assignment dated October 24, 2011[57] PDIC assigned three (3) real properties of CRBD to petitioner. The BIR then issued three ONETT Sheets,[58] demanding payment of DST and penalties from petitioner, in the total amount of ₱68,758.95. Petitioner fully paid said DST and penalties, albeit under protest.[59] The antecedents leading to these assignments were demonstrated by petitioner's testimonial and documentary evidence.

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

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

[56] Boldfacing ours.

[57] *Supra* notes 9, 12, and 15.

[58] *Supra* notes 18, 21, and 24.

[59] *Supra* note 27.

To be precise, witness Dimagiba explained that CRBD borrowed money from petitioner.[60] CRBD was closed,[61] and ordered liquidated,[62] with PDIC as CRBD's receiver/liquidator.[63] At the time of CRBD's closure, petitioner had an outstanding claim against CRBD in the amount of ₱480,421.00,[64] representing surplus dividend on liquidated damages.[65] PDIC moved,[66] and RTC-Cebu granted,[67] PDIC's plea for approval of final project distribution of the assets of CRBD, and for termination of liquidation proceedings. PDIC assigned, and petitioner received, three (3) real properties covered by the Deeds of Assignment all dated October 24, 2011,[68] in consideration of CRBD's unpaid obligation due to petitioner.

Section 84 of RA No. 7653[69] authorizes petitioner to, *inter alia,* "grant emergency loans or advances to banking institutions, even during normal periods, for the purpose of assisting a bank in a precarious financial condition or under serious financial pressures brought by unforeseen events, or events which, though foreseeable, could not be prevented by the bank concerned. ..." Without doubt, the grant of loan to CRBD falls under petitioner's business, as acknowledged by the foregoing provision of law.

Given that the assignments made by PDIC of the three (3) real properties to petitioner was because of CRBD's unpaid money obligation due to petitioner, these assignments are associated with petitioner's conduct of business. *A fortiori,* the deeds evidencing such assignments are relieved from imposition of DST under Section 199(l) of the NIRC, as amended. For this reason, a refund of the DST and penalties paid by petitioner on those transactions, in the total amount of ₱68,758.95 is in order.

ACCORDINGLY, the Petition for Review dated June 26, 2019 in CTA Case No. 10097 is **GRANTED**. The Commissioner of Internal Revenue is **DIRECTED** to **REFUND** Bangko Sentral ng Pilipinas, the

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60 Answer to Question No. 15, Exhibit "P-13." Docket, pp. 407-408.
61 *Supra* note 3.
62 *Supra* note 4.
63 *Supra* note 5.
64 *Ibid.*
65 Answer to Question No. 9. Exhibit "P-13." Docket, pp. 404-405.
66 Motion for Approval of Final Project Distribution of the Assets of CRBD, and for Termination of Liquidation Proceedings. *Supra* note 6.
67 *Supra* note 8.
68 *Supra* notes 9, 12, and 15.
69 The New Central Bank Act.

amount of **₱68,758.95**, representing its erroneously or illegally paid DST (inclusive of surcharges, interests, and compromise penalties) when it processed the titling under its name of the properties covered by OCT No. 18346, TCT No. P-1409, and TD No. 28255 located in Argao, Cebu.

SO ORDERED.

MARIAN IVY F. REYES-FAJARDO
Associate Justice

WE CONCUR:

MA. BELEN M. RINGPIS-LIBAN
Presiding Justice

HENRY S. ANGELES
Associate Justice

CERTIFICATION

Pursuant to Article VIII, Section 13 of the Constitution, it is hereby certified that the conclusions in the above Amended 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