REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

EN BANC

AEGIS PEOPLESUPPORT, INC. [FORMERLY PEOPLESUPPORT (PHILIPPINES), INC.],
Petitioner,

- versus -

COMMISSIONER OF INTERNAL REVENUE,
Respondent.

CTA EB NO. 1231
(CTA Case No. 8267)

Present:

DEL ROSARIO, *PJ*
CASTAÑEDA, JR.,
BAUTISTA,
UY,
CASANOVA,
FABON-VICTORINO,
MINDARO-GRULLA,
COTANGCO-MANALASTAS, and
RINGPIS-LIBAN, *JJ.*

Promulgated:

SEP 09 2016 3:05 p.m.

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RESOLUTION

Fabon-Victorino, J.:

Before the Court *En Banc* is the *Motion for Reconsideration (Re: Decision dated May 17, 2016)*[1] filed by petitioner Aegis PeopleSupport, Inc. [Formerly PeopleSupport (Philippines), Inc.] on June 10, 2016, assailing the Decision[2] promulgated on May 17, 2016, the dispositive portion of which reads:

> "**WHEREFORE**, the *Petition for Review* filed by petitioner Aegis PeopleSupport, Inc. [formerly PeopleSupport (Philippines), Inc.] on

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[1] *En Banc* docket, pp. 179-195.
[2] *En Banc* docket, pp. 162-175.

October 24, 2014 is hereby **DENIED**, for lack of merit.

SO ORDERED."

The assailed Decision effectively sustained the ruling of the Court in Division denying petitioner's claim for refund of alleged excess payment of corporate income tax for calendar year 2008 amounting to Php38,087,854.48.

Petitioner's motion is anchored on the following grounds:

1. The incentives granted to Philippine Economic Zone Authority (PEZA) - registered entities extends to activities that are necessarily related to the registered activities of these entities;

2. Petitioner established that its foreign exchange (forex) gains were derived from the conversion of Unites States (US) dollars to Philippine Pesos in order to defray expenses incurred in connection with its PEZA-registered activity; hence, these forex gains should be covered by petitioner's income tax holiday (ITH) privilege; and

3. Petitioner's right to due process will be violated if its forex gains will not be covered by ITH incentive.

By way of *Comment,*[3] respondent counters that petitioner's motion should be denied saying that: (1) the realized forex gains are not covered by the ITH, hence, subject to corporate income tax; (2) petitioner failed to prove that the forex gains arose from the conduct of its registered activities; and (3) tax refunds are strictly construed against the taxpayer.

After a thorough study of petitioner's *Motion for Reconsideration*, the Court finds that all the basic issues

[3] *En Banc* docket, pp. 206-212.

raised in the *motion* have been addressed and passed upon, first by the Court in Division and subsequently on appeal by the Court *En Banc*. There are no substantial arguments raised to warrant the reversal of the assailed Decision of May 17, 2016. Petitioner merely reiterated if not rephrased those contained in its previously filed pleadings.

WHEREFORE, the *Motion for Reconsideration* filed by petitioner Aegis PeopleSupport, Inc. [Formerly PeopleSupport (Philippines), Inc.] is hereby **DENIED**, for lack of merit.

SO ORDERED.

ESPERANZA R. FABON-VICTORINO
Associate Justice

We Concur:

(On Official Business)
ROMAN G. DEL ROSARIO
Presiding Justice

JUANITO C. CASTAÑEDA, JR.
Associate Justice

LOVELL R. BAUTISTA
Associate Justice

ERLINDA P. UY
Associate Justice

CAESAR A. CASANOVA
Associate Justice

CIELITO N. MINDARO-GRULLA
Associate Justice

AMELIA R. COTANGCO-MANALASTAS
Associate Justice

MA. BELEN M. RINGPIS-LIBAN
Associate Justice