Republic of the Philippines
COURT OF TAX APPEALS
Quezon City

En Banc

COMMISSIONER OF INTERNAL REVENUE, Petitioner,	**CTA EB No. 1266** (CTA Case No. 8402)
-versus-	
DEUTSCHE KNOWLEDGE SERVICES PTE. LTD., Respondent.	

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DEUTSCHE KNOWLEDGE SERVICES PTE. LTD., Petitioner,	**CTA EB No. 1267** (CTA Case No. 8402)
-versus-	Present: DEL ROSARIO, *P.J.*, CASTAÑEDA, JR., BAUTISTA, UY, CASANOVA, FABON-VICTORINO, MINDARO-GRULLA, COTANGCO-MANALASTAS, and RINGPIS-LIBAN, *JJ.*
COMMISSIONER OF INTERNAL REVENUE, Respondent.	Promulgated: AUG 12 2016 2:19 p.m.

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RESOLUTION

CASANOVA, J.:

For resolution are the following:

1. Commissioner of Internal Revenue's ("CIR") Motion for Reconsideration[1] filed on March 7, 2016, with Deutsche

[1] *En Banc* Rollo, pp. 201-218.

Knowledge Services, PTE Ltd.'s ("Deutsche Knowledge") Comment (To the Motion for Reconsideration dated March 4, 2016)[2] filed on April 11, 2016; and

2. Deutsche Knowledge's Motion for Reconsideration (Re: Decision dated February 17, 2016)[3] filed on March 9, 2016, with CIR's Comment/Opposition (Re: Motion for Reconsideration)[4] filed on June 9, 2016.

Both parties pray for the reconsideration of the Decision[5] promulgated on February 17, 2016.

CIR submits this sole assigned error for the consideration of the Court, *viz*:

> The Honorable Court erred in partially granting Deutsche Knowledge's claim for refund in the reduced amount of Php15,856,069.97 allegedly representing excess and unutilized input VAT on purchase of goods and services attributable to its zero-rated sales for the 4th quarter of calendar year 2009.

CIR avers that the Court of Tax Appeals has no competence to entertain the Petition for Review due to Deutsche Knowledge's failure to exhaust administrative remedies on account of its inability to submit complete documents in the administrative level. He further claims that Deutsche Knowledge failed to prove that the recipient of its services is doing business outside of the Philippines.

On the other hand, Deutsche Knowledge submits the following assignment of errors for the consideration of this Court:

a. The Court erred in affirming the denial of admission in evidence of Deutsche Knowledge's documentary exhibits which prove the full amount of its zero-rated sales for the 4th quarter of CY 2009;

b. The Court erred in denying Deutsche Knowledge's Motion to Reopen Trial for Presentation of Supplemental Evidence;

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[2] Ibid. pp. 249-263,
[3] Id., pp. 221-243.
[4] Id., pp. 268-280.
[5] Id., pp. 170-191.

c. The Court erred in ruling that only the amortization for the 4th quarter of CY 2009 in the amount of Php31,796.71 may be claimed by Deutsche Knowledge as valid input tax credits for the 4th quarter of CY 2009; and

d. The Court erred in ruling that Deutsche Knowledge's input VAT for the 4th quarter of CY 2009 should be applied against its output VAT of Php1,353,651.47.

Deutsche Knowledge proffers that there were several official receipts (OR Nos. 601, 606, 542,543,544,545,546 and 618) and proofs of inward remittances, duly presented and identified by its witness, which have not been considered by the Court in Division in rendering the assailed Decision; that Deutsche Knowledge should be allowed to present supplemental evidence to prove the existence of its zero-rated sales for the 4th quarter of CY 2009; that Deutsche Knowledge's purchases of capital goods exceeding Php1 Million for the 4th quarter of CY 2009 should have an estimated useful life of forty-eight (48) months, instead of sixty (60) months, contrary to the findings of the Court in Division; and, that Deutsche Knowledge's valid input VAT should not be applied against its output VAT liability for the 4th quarter of CY 2009.

A close scrutiny of the records of the instant cases and meticulous evaluation of the arguments of both parties in their respective Motions for Reconsideration reveal that all the arguments raised therein were squarely discussed and passed upon by the Court in Division, and subsequently on appeal, by the Court *En Banc.* As such, *We* see no reason to further discuss the same.

Hence, the Court *En Banc* finds no cogent justification to disturb the findings and conclusions spelled out in its February 17, 2016 Decision.

WHEREFORE, the Motion for Reconsideration, filed by Commissioner of Internal Revenue, on March 7, 2016, as well as the Motion for Reconsideration (Re: Decision dated February 17, 2016), filed by Deutsche Knowledge Services, PTE Ltd., on March 9, 2016, are hereby **DENIED** for lack of merit.

SO ORDERED.

CAESAR A. CASANOVA
Associate Justice

WE CONCUR:

(I reiterate my Concurring Opinion on the Decision dated 17 February 2016)
ROMAN G. DEL ROSARIO
Presiding Justice

JUANITO C. CASTAÑEDA, JR.
Associate Justice

LOVELL R. BAUTISTA
Associate Justice

ERLINDA P. UY
Associate Justice

ESPERANZA R. FABON-VICTORINO
Associate Justice

CIELITO N. MINDARO-GRULLA
Associate Justice

AMELIA R. COTANGCO-MANALASTAS
Associate Justice

MA. BELEN M. RINGPIS-LIBAN
Associate Justice