CTA Form No. 8 (For DCC)

22-000250-0053

REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

SPECIAL FIRST DIVISION

CTA CASE NO. 10867

NOATUM LOGISTICS PHILIPPINES, INC. (formerly MIQ LOGISTICS PHILIPPINES, INC.),
Petitioner,

- versus -

NOTICE OF RESOLUTION

COMMISSIONER OF INTERNAL REVENUE,
Respondent.

To:

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

ATTY. SHERYLL P. CACAYURAN
ATTY. FELY ROSE R. DAGANTA
Bureau of Internal Revenue
Legal Division, Revenue Region 8B- South NCR
2nd Floor, BIR Regional Office Building
No. 313 Sen. Puyat Avenue
Makati City

SYMECS Law
3109 One Corporate Center
Julia Vargas corner Meralco Avenue
Ortigas Center, Pasig City

GREETINGS:

You are hereby notified by these presents that on **March 13, 2026,** a Resolution was rendered in the above-entitled case, copy of which is attached hereto.

Quezon City, Philippines, **March 17, 2026.**

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

REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
Quezon City

SPECIAL FIRST DIVISION

NOATUM LOGISTICS PHILIPPINES, INC. (formerly MIQ LOGISTICS PHILIPPINES, INC.), Petitioner,	CTA CASE NO. **10867**
	Members:
	BACORRO-VILLENA, *Acting Chairperson and* **CUI-DAVID,** ***JJ.***
- versus -	
COMMISSIONER OF INTERNAL REVENUE, Respondent.	Promulgated: MAR 13 2026, 3:35PM

x - x

RESOLUTION

BACORRO-VILLENA, J.:

For the Court's resolution is respondent Commissioner of Internal Revenue's (**respondent**'s/**CIR**'s) "Motion for Reconsideration (Of the Decision dated 30 July 2025)"[1] (**MR**) filed and emailed on 20 August 2025, with petitioner Noatum Logistics Philippines, Inc. (formerly MIQ Logistics Philippines Inc. (**petitioner**'s) "Comment/Opposition (Respondent's Motion for Reconsideration dated 20 August 2025)"[2] (**Comment**) filed *via* registered mail on 12 September 2025 and *via* email on 15 September 2025.

The MR assails the Court's Decision[3] promulgated on 30 July 2025 (**assailed Decision**), which granted petitioner's Petition for Review. The dispositive portion of which reads:

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[1] Division Docket, Volume I, pp. 585-599.
[2] Id., pp. 601-610.
[3] Id., pp. 554-583.

> ...
>
> **WHEREFORE**, premises considered, the instant Petition for Review filed by petitioner Noatum Logistics Philippines, Inc. on 26 May 2022 is hereby **GRANTED**. Accordingly, since respondent Commissioner of Internal Revenue's right to collect the alleged deficiency Income Tax, Value-Added Tax and Expanded Withholding Tax for the taxable year 2013 has already prescribed, respondent and his or her duly authorized representatives are **PERMANENTLY ENJOINED** from enforcing collection of the aforementioned deficiency taxes.
>
> **SO ORDERED.**[4]
>
> ...

In the MR, respondent assailed the Court's grant of petitioner's Petition for Review, arguing that respondent's right to collect the subject deficiency tax assessment has not yet prescribed. Further, respondent insists that petitioner's filing of its administrative appeal or request for reconsideration against the Final Decision on Disputed Assessment (**FDDA**), before respondent suspended his or her period for collection of the said deficiency taxes. Respondent likewise averred that the suspension of statute of limitations on his or her right to collect has been affected by the Bureau of Internal Revenue (**BIR**) issuances in relation to the Coronavirus Disease of 2019 (**COVID 19 Issuances**) specifically the following: (1) Revenue Regulation (**RR**) No. 11-2020[5]; (2) RR No. 12-2020[6]; (3) Revenue Memorandum Circular (**RMC**) No. 136-2020[7]; (4) RMC No. 80-2021[8]; and (5) RMC No. 93-2021[9]. Finally, respondent posits that the parties did not raise the prescription of respondent's right to collect as an issue during trial; hence, issues that

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4 Emphasis in the original text.

5 Amends Section 2 of the Revenue Regulations No. 10-2020 relative to the extension of statutory deadlines and timeliness for the filing and submission of any document and the payment of taxes pursuant to Section 4(z) of Republic Act No. 11469, otherwise known as "Bayanihan to Heal as One Act".

6 Amends Revenue Regulations No. 10-2020, as Amended by Revenue Regulations No. 11-2020, Relative to the Extension of Statutory Deadlines and Timelines for the Filing and Submission of Any Document and the Payment of Taxes Pursuant to Section 4(z) of Republic Act No. 11469, Otherwise Known as "Bayanihan to Heal as One Act".

7 Clarification on the Suspension of the Statute of Limitation Provided Under Revenue Regulations (RR) No. 11-2020.

8 Clarifying the Suspension of the Statute of Limitations on Assessment and Collection of Taxes Due to the Declaration of Quarantine in Various Areas in the Country.

9 Suspension of the Running of the Statute of Limitations on Assessment and Collection of Taxes Due to Declaration of ECQ and MECQ in the NCR and Other Areas of the Country.

were not alleged or proved before the BIR cannot be considered on appeal.

In petitioner's Comment, it opined that this Court has the authority to resolve related issues necessary to achieve an orderly disposition of the case. It also pointed out that respondent's right to collect the alleged deficiency tax had already prescribed. Finally, petitioner argued that the assessment of a tax liability is deemed made and the three (3)-year period for collection of the said taxes begins to run on the date the assessment notice has been released, mailed or sent to the taxpayer.

We resolve.

We preface our discussions by clarifying that this Court can rule on all relevant issues for the orderly disposition of a case. Although the issue of prescription on respondent's right to collect is not raised by the parties themselves, the Court of Tax Appeals (**CTA**) can rule on issues that are not stipulated by the parties for the orderly disposition of the case. In *Republic of the Philippines, represented by the Bureau of Internal Revenue v. First Gas Power Corporation*[10], the Supreme Court emphasized this principle:

> ...
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> In the case of *Commissioner of Internal Revenue v. Lancaster Philippines, Inc.*, this Court categorically ruled that the Revised Rules of the CTA clearly allowed it to rule on issues not stipulated by the parties to achieve an orderly disposition of the case, thus:
>
> > On whether the CTA can resolve an issue which was not raised by the parties, we rule in the affirmative.
> >
> > Under Section 1, Rule 14 of A.M. No. 05-11-07-CTA, or the Revised Rules of the Court of Tax Appeals, the CTA is not bound by the issues specifically raised by the parties but may also rule upon related issues necessary to achieve an orderly disposition of the case. The text of the provision reads:
> >
> > > SECTION 1. *Rendition of judgment.* — x x x

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[10] G.R. No. 214933, 15 February 2022. Italics in the original; citation omitted.

> In deciding the case, the Court may not limit itself to the issues stipulated by the parties but may also rule upon related issues necessary to achieve an orderly disposition of the case.
>
> ...

Moving forward, an examination of the records of the case reveals that respondent's right to collect deficiency taxes has already prescribed. Section 203 of the National Internal Revenue Code (**NIRC**) of 1997, as amended, provides for the prescriptive period in the assessment and collection of internal revenue taxes:

> ...
> **SEC. 203. *Period of Limitation Upon Assessment and Collection.*** - Except as provided in Section 222, internal revenue taxes shall be assessed within three (3) years after the last day prescribed by law for the filing of the return, and no proceeding in court without assessment for the collection of such taxes shall be begun after the expiration of such period: Provided, That in a case where a return is filed beyond the period prescribed by law, the three (3)-year period shall be counted from the day the return was filed. For purposes of this Section, a return filed before the last day prescribed by law for the filing thereof shall be considered as filed on such last day.
> ...

In *Commissioner of Internal Revenue v. Court of Tax Appeals Second Division and QL Development, Inc.*[11] (**QL Development**), the Supreme Court, citing the case of *Commissioner of Internal Revenue v. United Salvage and Towage (Phils.), Inc.*[12] (**United Salvage**), ruled that in cases of valid assessment issued within the three (3)-year period, BIR has another three (3) years to collect the taxes reckoning from the date the assessment notice had been released, mailed or sent to the taxpayer:

> ...
> The statute of limitations on assessment and collection of national internal revenue taxes was shortened from five (5) years to three (3) years by virtue of Batas Pambansa Blg. 700. Thus, petitioner has three (3) years from the date of actual filing of the tax return to assess a national internal revenue tax or to commence court proceedings for the collection thereof without an assessment. **However, when it validly issues an assessment within the three (3)-year period, it has another three (3) years within which to collect the tax due**

11 G.R. No. 258947, 29 March 2022.
12 G.R. No. 197515, 02 July 2014.

> **by distraint, levy, or court proceeding. The assessment of the tax is deemed made and the three (3)-year period for collection of the assessed tax begins to run on the date the assessment notice had been released, mailed or sent to the taxpayer.**[13]
>
> ...

However, in cases of fraud under Section 222 of the NIRC of 1997, as amended, the period of collection extends to five (5) years:

> ...
>
> ... The five-year period for collection of taxes only applies to assessments issued within the extraordinary period of 10 years in cases of false or fraudulent return or failure to file a return. Indeed, Section 222 of the NIRC, as amended, provides:
>
> > SEC. 222. *Exceptions as to Period of Limitation of Assessment and Collection of Taxes.* —
> >
> > (a) In the case of a **false or fraudulent return with intent to evade tax or of failure to file a return**, the tax may be assessed, or a proceeding in court for the collection of such tax may be filed without assessment, at any time within ten (10) years after the discovery of the falsity, fraud or omission: *Provided*, That in a fraud assessment which has become final and executory, the fact of fraud shall be judicially taken cognizance of in the civil or criminal action for the collection thereof.
> >
> > xxxx
> >
> > (c) Any internal revenue tax which has been assessed within the period of limitation as prescribed in **paragraph (a) hereof** may be collected by distraint or levy or by a proceeding in court **within five (5) years** following the assessment of the tax. (Emphasis supplied)[14]
>
> ...

Meanwhile, Section 223 of the NIRC of 1997, as amended, provides for instances when the running of the statute of limitation may be suspended, to wit:

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[13] Citation omitted and emphasis supplied.

[14] Emnpasis supplied.

> ...
>
> **SEC. 223.** *Suspension of Running of Statute of Limitations.* - The running of the Statute of Limitations provided in Sections 203 and 222 on the making of assessment and the beginning of distraint or levy or a proceeding in court for collection, in respect of any deficiency, shall be suspended for the period during which the Commissioner is prohibited from making the assessment or beginning distraint or levy or a proceeding in court and for sixty (60) days thereafter; **when the taxpayer requests for a reinvestigation which is granted by the Commissioner;** when the taxpayer cannot be located in the address given by him in the return filed upon which a tax is being assessed or collected: Provided, that, if the taxpayer informs the Commissioner of any change in address, the running of the Statute of Limitations will not be suspended; when the warrant of distraint or levy is duly served upon the taxpayer, his authorized representative, or a member of his household with sufficient discretion, and no property could be located; and when the taxpayer is out of the Philippines.[15]
>
> ...

The foregoing Section is plainly worded and could hardly be the subject of any other interpretation. To suspend the running of the prescriptive periods for assessment and collection, the CIR or his or her duly authorized representative must have granted the request for reinvestigation.[16]

In the case at bar, the Court notes that the "[Final] Assessment Notice/Formal Letter of Demand"[17] (**FAN/FLD**) was issued on **13 January 2017** and in the FAN/FLD, there was no allegation of a false or fraudulent return with intent to evade tax. In response to the FAN/FLD, petitioner timely filed a Protest (by way of a request for reconsideration)[18] (**Protest to FAN**) on 20 February 2017. Though respondent admits that the filing of the Protest to FAN did not toll the running of the prescriptive period to collect, he or she however insists that petitioner's filing of its Request for Reconsideration against the FDDA[19] on 21 June 2018 suspended the said period.

In support of respondent's argument, he or she cites *Light Rail Transit Authority v. Bureau of Internal Revenue, represented by the*

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15 Emphasis supplied and italics in the original text.

16 *Bank of the Philippine Islands (Formerly: Far East Bank and Trust Company) v. Commissioner of Internal Revenue*, G.R. No. 174942, 07 March 2008.

17 Exhibit "R-6" / Exhibit "P-4", id., pp. 718-719.

18 Exhibit "R-9" / Exhibit "P-5", id., pp. 736-739.

19 Exhibit "R-10" / Exhibit "P-7", id., pp. 827-829.

Commissioner of Internal Revenue[20] (**LRTA**) which provides that if the taxpayer filed a pending appeal against the FDDA, such disputed assessment may not be subjected of any collection proceeding. Thus, following Section 223 of the NIRC, as amended the applicable prescriptive period for the collection of the said taxes shall likewise be suspended.

We disagree.

In *United Salvage,*[21] the Supreme Court ruled that the period for the collection of the assessed taxes begins to run on the date that the **assessment notice is released, mailed or sent to the taxpayer**.

From the foregoing, in this case, the prescriptive period to collect would start to run on the FAN/FLD's issue date of **13 January 2017**. Counting three (3) years therefrom, respondent had until **12 January 2020**[22] to collect the deficiency taxes.

As enunciated by the Supreme Court in *QL Development,*[23] the BIR's collection efforts are initiated by distraint, levy, or court proceeding. The distraint and levy proceedings are validly begun or commenced by the issuance of a WDL and service thereof on the taxpayer. On the other hand, a judicial action for the collection of a tax is initiated: (a) by the filing of a complaint with the court of competent jurisdiction; or (b) where the assessment is appealed to the CTA, by filing an answer to the taxpayer's petition for review wherein payment of the tax is prayed for. Clearly, respondent's filing of an Answer on **01 August 2022**[24] was already time-barred.

We are not unaware that petitioner subsequently filed a Request for Reconsideration against the FDDA before the CIR. However, even if the CIR acted on the said Request for Reconsideration, the same could not and did not toll the running of the prescriptive period to collect.

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20 G.R. No. 231238, 20 June 2022.

21 Supra at note 12.

22 Respondent's issuance of the FAN/FLD was on 13 January 2017, hence, the end of three [3]-year period to collect is on 12 January 2020. See *Commissioner of Internal Revenue v. Primetown Property Group, Inc.*, G.R. No. 162155, 28 August 2007.

23 Supra at note 11.

24 Division Docket, pp. 184-205.

The wordings of Section 223 of the NIRC of 1997, as amended, are clear. Only a request for reinvestigation which the CIR has granted will suspend the running of the statute of limitations and not request for reconsideration. A reinvestigation, which entails the reception and evaluation of additional evidence, will take more time than a reconsideration of a tax assessment which will be limited to the evidence already at hand.[25] This justifies why the former can suspend the running of the statute of limitations on the collection of the assessed tax, while the latter cannot.[26]

Respondent, citing *LRTA*, argues that petitioner's administrative appeal to the CIR rendered the deficiency assessments still disputed, and therefore, not final. As such, it effectively 'prevented' him or her to initiate the collection proceedings and suspended the running of the prescriptive period to collect until the he or she issued a final decision.

We disagree with respondent.

The doctrine of *ejusdem generis* provides that "where general terms follow the designation of particular things or classes of persons or subjects, the general term will be construed to comprehend those things or persons of the same class or of the same nature as those specifically enumerated".[27] In the same vein, the doctrine of *noscitur a sociis* provides that "proper construction may be had by considering the company of words in which the term or phrase in question is founded or with which it is associated".[28] Applying the foregoing guidelines in the instant case, the phrase "the period during which the Commissioner is prohibited from...beginning distraint or levy or a proceeding in court" should be construed to mean those of the same class or nature as the succeeding grounds under Section 223 of the NIRC of 1997, as amended: (1) when the taxpayer requests for a reinvestigation and it is granted; (2) when the taxpayer cannot be located at the address stated in the return; (3) when a warrant is served but no property can be located; and (4) when the taxpayer is out of the Philippines. The foregoing grounds show instances or scenarios beyond the CIR's control. It bears emphasis a

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25 *Bank of the Philippine Islands v. Commissioner of Internal Revenue*, G.R. No. 181836; 09 July 2014.

26 Id.

27 *National Power Corporation v. Honorable Zain B. Angas, District Judge of the Court of First Instance of Lanao del Sur, et.al.*, G.R. Nos. 60225-26, 08 May 1992.

28 *People of the Philippines v. Meinrado Enrique A. Bello, et. al.*, G.R. Nos. 166948-59, 29 August 2012.

request for reconsideration merely entails a re-evaluation of an assessment on the **basis of existing records without need of additional evidence from the taxpayer.**[29]

Additionally, to interpret the law otherwise (*i.e.*, to allow a pending request for reconsideration to *also* toll the prescriptive period) would make the specific mention of a granted request for reinvestigation "superfluous" or unnecessary, as the broader category would already cover it. This goes against a rule in statutory construction that no word, clause, sentence, provision or part of a statute shall be considered surplusage or superfluous, meaningless, void and insignificant.[30] To this end, a construction which renders every word operative is preferred over that which makes some words idle and nugatory.[31] Therefore, a pending request for reconsideration before the CIR cannot be considered as one that "prohibits" the CIR from initiating the collection proceedings.

Respondent's argument that statute of limitations on his or her right to collect has been suspended by COVID 19 issuances is likewise misplaced.

Respondent's right to collect petitioner's deficiency IT, VAT and EWT for TY 2013 had already prescribed on 12 January 2020. Republic Act No. 11469[32], otherwise known as the "Bayanihan to Heal as One Act" took effect **on 26 March 2020.** Thus, we fail to see the logic in respondent's argument that the said COVID 19 Issuances suspended the statute of limitations on respondent's right to collect.

Indeed, the law prescribing a limitation of actions for the collection of taxes is beneficial both to the State and to its citizens; to the State because tax officers would be obliged to act promptly in the

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29 *Bank of the Philippine Islands v. Commissioner of Internal Revenue*, supra at note 25.

30 *Main T. Mohammad v. Office of The Secretary, Department of Justice, Menardo I. Guevarra, in his capacity as Secretary of Justice*, G.R. No. 256116, 27 February 2024.

31 Id.

32 AN ACT DECLARING THE EXISTENCE OF A NATIONAL EMERGENCY ARISING FROM THE CORONA VIRUS DISEASE 2019 (COVID-19) SITUATION AND A NATIONAL POLICY IN CONNECTION THEREWITH, AND AUTHORIZING THE PRESIDENT OF THE REPUBLIC OF THE PHILIPPINES FOR A LIMITED PERIOD AND SUBJECT TO RESTRICTIONS, TO EXERCISE POWERS NECESSARY AND PROPER TO CARRY OUT THE DECLARED NATIONAL POLICY AND FOR OTHER PURPOSES, dated 24 March 2020.

making of assessment or collection, and to citizens because after the lapse of the period of prescription citizens would have a feeling of security against unscrupulous tax agents who will always find an excuse to inspect the books of taxpayers, not to determine the latter's real liability, but to take advantage of every opportunity to molest peaceful, law-abiding citizens.[33] Without such a legal defense taxpayers would furthermore be under obligation to always keep their books and keep them open for inspection subject to harassment by unscrupulous tax agents. The law on prescription being a remedial measure should be interpreted in a way conducive to bringing about the beneficent purpose of affording protection to the taxpayer.[34]

WHEREFORE, premises considered, respondent Commissioner of Internal Revenue's "Motion for Reconsideration (Of the Decision dated 30 July 2025)" filed and emailed on 20 August 2025 is hereby **DENIED** for lack of merit.

SO ORDERED.

JEAN MARIE A. BACORRO-VILLENA
Associate Justice

I CONCUR:

LANEE S. CUI-DAVID
Associate Justice

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33 See *Bank of the Philippine Islands v. Commissioner of Internal Revenue*, supra at note 25.
34 Id.