CTA Form No. 8 (For DCC)

22-000075-0081

REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

SPECIAL FIRST DIVISION

CTA CASE NO. 10777

MULTICARE PHARMACEUTICALS PHILIPPINES, INC.,
Petitioner,

- versus -

COMMISSIONER OF INTERNAL REVENUE,
Respondent.

NOTICE OF RESOLUTION

To:

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

ATTY. AYESHA HANIA B. GUILING-MATANOG
ATTY. CAROLINE CLAIRE S. BARIC
Bureau of Internal Revenue
Room 703, Litigation Division, BIR National Office Building
Sen. Miriam P. Defensor-Santiago Avenue
Diliman, Quezon City

AGAN MONTENEGRO MALAGASA & CO.
7th Floor, Electra House Building
115-117 Esteban Street, Legazpi Village
1229 Makati City

GREETINGS:

You are hereby notified by these presents that on **May 18, 2026,** a Resolution was rendered in the above-entitled case, copy of which is attached hereto.

Quezon City, Philippines, **May 20, 2026.**

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

REPUBLIC OF THE PHILIPPINES
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MULTICARE PHARMACEUTICALS PHILIPPINES, INC.,
Petitioner,

- versus -

COMMISSIONER OF INTERNAL REVENUE,
Respondent.

CTA CASE NO. 10777

Members:

BACORRO-VILLENA, *Acting Chairperson, and*
CUI-DAVID, *JJ.*

Promulgated:
MAY 18 2026 ; 11:30 AM

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"[1] (**MR**), filed personally on 26 November 2025 and *via* email on 27 November 2025, with petitioner Multicare Pharmaceuticals Philippines, Inc.'s (**petitioner**'s) "Opposition/Comment (against respondent's motion for reconsideration)"[2] filed personally on 05 January 2026 and *via* email on 06 January 2026.

The MR assails the Court's Decision[3] promulgated on 06 November 2025 (**Decision**) which granted the instant Petition for Review and cancelled the tax assessment against petitioner for taxable year (**TY**) ending 31 March 2017. The dispositive portion of the Decision reads:

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1 Division Docket, Volume II, pp. 1004-1048.
2 Id., pp. 1054-1067.
3 Id., pp. 960-1002.

...

> **WHEREFORE**, with the foregoing premises, the Petition for Review filed by petitioner Multicare Pharmaceuticals Philippines, Inc. on 21 February 2022, is hereby **GRANTED.** Accordingly, the deficiency Income Tax, Value-Added Tax, Withholding Tax on Compensation, Expanded Withholding Tax, Final Withholding Tax, Documentary Stamp Tax, Improperly Accumulated Earnings Tax and Compromise Penalties for the taxable year ending 31 March 2017, in the aggregate amount of ₱158,400,077.99, as found in the Final Decision on Disputed Assessment dated 21 January 2022, are hereby **CANCELLED** and **SET ASIDE**.
>
> Consequently, respondent Commissioner of Internal Revenue or any person duly acting on his or her behalf is hereby **ENJOINED** and **PROHIBITED** from collecting the said amount against petitioner Multicare Pharmaceuticals Philippines, Inc.
>
> **SO ORDERED.**

...

In the Decision, the Court cancelled the assessment based on the finding that respondent violated petitioner's right to due process. Specifically, the Court found that respondent failed to address or discuss petitioner's arguments raised in its Reply to the Preliminary Assessment Notice (**PAN**) and Protest to the Formal Letter of Demand with Details of Discrepancies/Final Assessment Notice (**FLD/FAN**), including the documents attached thereto.

In his or her MR, respondent mainly argues that contrary to the findings in the Decision, respondent's audit findings in the FLD/FAN and the Final Decision on Disputed Assessment (**FDDA**) took into consideration the arguments raised by petitioner in his Reply to the PAN and Protest to the FLD/FAN, respectively.

According to respondent, although there were items in the PAN that were reiterated, it does not necessarily imply that the Reply to the PAN was not considered. Respondent also submits that since the FLD/FAN and FDDA contain clear and well-established legal basis, further explanation or elaboration is unnecessary and redundant.

Respondent then proceeded to analyze the line-by-line assessments in the PAN, FLD/FAN, and FDDA and gave the following reasons why petitioner's arguments in its Reply to the PAN and Protest to the FLD/FAN were rejected: (1) petitioner failed to submit supporting documents; (2) its arguments lacked factual and legal merits; and (3) its arguments were unconvincing and self-serving.

Respondent adds that while he or she is obliged to consider petitioner's arguments, only legitimate and well-founded issues should be addressed. Moreover, it is assumed that individuals involved in business or finance have a basic understanding of fundamental accounting principles, therefore, a full in-depth explanation is not required. Furthermore, respondent argues that he or she is not barred from retaining his or her assessment if he or she finds that the taxpayer's arguments are inadequate.

Respondent further claims that administrative due process merely requires notice and opportunity to be heard before judgment is rendered. Here, petitioner was fully informed of the documents necessary to substantiate its claims but failed to submit the same. Petitioner was likewise informed, in writing, of the factual and legal bases of the assessment. Hence, petitioner's right to due process was not violated.

Lastly, respondent assails the Court's finding that the First Waiver[4] was invalid. According to respondent, while the First Waiver did not indicate its date of execution, petitioner's own witness testified that it was executed on 17 April 2019. Moreover, prescription does not apply to the assessment of withholding taxes.

We resolve.

At the outset, the Office of the Solicitor General (**OSG**) and the Bureau of Internal Revenue's (**BIR**'s) Litigation Division received their copies of the Decision on 11 November 2025.[5] Thus, the MR, filed fifteen (15) days later on 26 November 2025, was filed on time.

Nonetheless, after careful consideration, We find respondent's arguments bereft of merit.

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4 Exhibits "R-5" / "P-17", BIR Records, p. 418.

5 See Notice of Decision dated 07 November 2025, Division Docket, Volume II, p. 959.

The Supreme Court's pronouncement in *Commissioner of Internal Revenue v. Avon Products Manufacturing, Inc.*[6] (**Avon**) is explicit ---

> ...
> It is true that the Commissioner is not obliged to accept the taxpayer's explanations, as explained by the Court of Tax Appeals. However, when he or she rejects these explanations, he or she must give some reason for doing so. **He or she must give the particular facts upon which his or her conclusions are based, and those facts must appear in the record.**
> ...

Thus, the Court cannot give credence to respondent's argument that further explanation or elaboration is unnecessary if the FLD/FAN and FDDA contain clear and well-established legal basis. The same can be said regarding respondent's claim that only legitimate and well-founded arguments should be considered. If that is the case, respondent should have informed petitioner why its arguments were neither legitimate nor well-founded. Similarly, while it is true that respondent is not barred from retaining the assessment if he or she finds that the taxpayer's arguments are inadequate, the latter must be informed of such findings and the justifications thereto.

Furthermore, the Court finds as lame excuse respondent's argument that he or she is not required to provide an in-depth explanation since individuals involved in business or finance are assumed to have a basic understanding of fundamental accounting principles. The duty to address the taxpayer's explanations (or reply) is not to be disregarded even assuming such presumption even exists.

Lastly, the Court will no longer belabor the validity of the First Waiver since it will not change the outcome of the case. While the Court finds that the First Waiver was invalid and, consequently, some portion of the assessment had prescribed, the Court was also constrained to impute the entire alleged deficiency for the tax in scrutiny to the portion that had *not* yet prescribed. Thus, the Court declared the deficiency assessment against petitioner as not yet prescribed.

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6 G.R. Nos. 201398-99 and 201418-19, 03 October 2018; Citations omitted and emphasis supplied.

As the Supreme Court held in *Ortigas and Company Limited Partnership v. Judge Tirso Velasco, et al.*[7]:

> ...
>
> The filing of a motion for reconsideration, authorized by Rule 52 of the Rules of Court, **does not impose on the Court the obligation to deal individually and specifically with the grounds relied upon therefor, in much the same way that the Court does in its judgment or final order as regards the issues raised and submitted for decision.** This would be a useless formality or ritual invariably involving merely a reiteration of the reasons already set forth in the judgment or final order for rejecting the arguments advanced by the movant; and it would be a needless act, too, with respect to issues raised for the first time, these being, as above stated, deemed waived because not asserted at the first opportunity. **It suffices for the Court to deal generally and summarily with the motion for reconsideration, and merely state a legal ground for its denial** (Sec. 14, Art. VIII, Constitution); i.e., the motion contains merely a reiteration or rehash of arguments already submitted to and pronounced without merit by the Court in its judgment, or the basic issues have already been passed upon, or the motion discloses no substantial argument or cogent reason to warrant reconsideration or modification of the judgment or final order; or the arguments in the motion are too unsubstantial to require consideration, etc.
>
> ...

Finally, it is the movant's duty to convincingly show grounds for reconsideration of an assailed judgment or order, or at the least give its previous arguments a fresh perspective in such a way that would warrant a re-examination of the case.[8] Unfortunately, in the instant case, respondent had failed to do so.

WHEREFORE, in view of the foregoing, respondent's Motion for Reconsideration, filed on 26 November 2025, is hereby **DENIED** for lack of merit.

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7 G.R. No. 109645, 04 March 1996; Emphasis supplied.

8 See *Shangri-La International Hotel Management, Ltd., et al. v. Developers Group of Companies*, Inc., G.R. No. 159938, 22 January 2007.

SO ORDERED.

JEAN MARIE A. BACORRO-VILLENA
Associate Justice

I CONCUR:

LANEE S. CUI-DAVID
Associate Justice