REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

EN BANC

COMMISSIONER OF INTERNAL REVENUE, *Petitioner,*	**CTA *EB* NO. 2984** (CTA Case No. 8525)
	Present:
-versus-	**RINGPIS-LIBAN**, *P.J.*, **BACORRO-VILLENA**, **MODESTO-SAN PEDRO**, **REYES-FAJARDO**, **CUI-DAVID**, **FERRER-FLORES**, **ANGELES**, *JJ.*
ASIA UNITED LEASING & FINANCE CORPORATION, *Respondent,*	Promulgated: MAY 07 2026 11:5 a

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RESOLUTION

CUI-DAVID, J.:

At bar is petitioner's ***Motion for Reconsideration (En Banc Decision dated 03 November 2025)*** [*Motion for Reconsideration*], filed on November 19, 2025, with respondent's *Comment (On the Respondent's [sic] Motion for Reconsideration dated 12 November 2025 and filed on 19 November 2025),* filed on January 8, 2026.

The *Motion for Reconsideration* seeks the reversal and setting aside of the *Decision* dated November 3, 2025 (assailed *Decision*), which denied petitioner's *Petition for Review* for lack of merit. The dispositive part of the assailed *Decision* states:

> **WHEREFORE**, the Petition for Review is **DENIED** for lack of merit. Accordingly, the Decision dated February 26, 2024, and the Resolution dated August 13, 2024, of the Special First Division are **AFFIRMED**.[1]

[1] *En Banc* Docket, p. 76.

The assailed *Decision* held that the Court in Division did not err in cancelling the assessment for violation of respondent's right to due process. It affirmed the Court in Division's finding that the premature issuance of the Final Assessment Notice/Formal Letter of Demand (FAN/FLD) constituted a denial of due process.

In his *Motion for Reconsideration*, petitioner maintains that respondent's right to due process was not violated. Petitioner insists that under Section 3.1.1 of Revenue Regulations (RR) No. 12-99, as amended by RR No. 18-2013, it is not mandatory for respondent to reply to the Preliminary Assessment Notice (PAN).

Petitioner notes that the PAN dated December 16, 2011 was served and received by respondent only on January 4, 2012. On the same day, January 4, 2012, petitioner issued the FAN/FLD, which respondent received on January 11, 2012. On February 1, 2012, petitioner sent a letter stating that the case would be forwarded to Revenue District Office No. 43-Pasig for appropriate action. Petitioner asserts that, due to respondent's failure to submit documents in support of its protest, the assessment became final, executory, and demandable, and thus respondent was not denied due process.

Petitioner further argues that due process requires only an opportunity to be heard, or, in administrative proceedings, the opportunity to explain one's side or seek reconsideration of the action taken. Citing *Commissioner of Internal Revenue v. Avon Products Manufacturing, Inc.*[2] *(Avon)*, petitioner contends that respondent was sufficiently notified of the assessment and given ample opportunity to contest it.

In addition, petitioner submits that the alleged slight infirmity in the issuance date of the FAN/FLD does not necessarily result in a violation of due process, considering that respondent was able to intelligently contest the assessment, was informed of the factual and legal bases thereof, and was afforded the opportunity to defend itself. Hence, petitioner maintains that respondent remains liable for the assessed deficiency taxes, and that the findings of the revenue examiner should be accorded full weight and credit.

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[2] G.R. Nos. 201398 *et al.*, October 3, 2018. [Per J. Leonen, Third Division].

Petitioner also opines that the government cannot, and should not, be estopped in matters involving the collection of taxes, as taxes are the lifeblood of the government and must be collected without unnecessary hindrance.

In its *Comment*, respondent submits that the Motion must be denied for lack of merit. Respondent reiterates that the premature issuance of the FAN/FLD violated its right to due process.

Respondent submits that Section 3.1.1 of RR No. 12-99, as amended, provides that the FAN/FLD shall be issued if: (1) the taxpayer is considered in default due to failure to respond within 15 days from receipt of the PAN, or (2) within 15 days from filing/submission of the taxpayer's response.

Thus, the taxpayer's default or the filing of a reply to the PAN triggers the period for issuance of the FAN/FLD.

In this case, respondent was neither in default nor had it submitted a reply to the PAN when the FAN/FLD was issued on January 4, 2012. The issuance was therefore premature.

Respondent emphasizes that petitioner admits the timeline for the issuance and service of the PAN and FAN/FLD, which demonstrates non-compliance with due process.

Respondent further counters that the same *Avon* case cited by petitioner actually states that due process is not fulfilled simply by allowing the taxpayer to respond; the administrative body must also consider the taxpayer's evidence and explanations.

Respondent notes that petitioner issued the FAN/FLD on the very day respondent received the PAN, and before petitioner could receive respondent's response to the PAN. Thus, respondent was not afforded a meaningful opportunity to be heard and to present evidence to support its position, much less consider the arguments propounded by respondent.

Respondent adds that in *Commissioner of Internal Revenue v. Nippo Metal Tech Philippines, Inc.*,[3] which is analogous to this case, the CIR issued the FAN/FLD without waiting for the lapse of the 15-day period within which the taxpayer may respond to

[3] G.R. No. 227616, June 19, 2019 [Notice, Second Division].

the PAN. In that case, the Supreme Court held that "by disregarding the 15-day period provided by law, the CIR utterly deprived respondent of the opportunity to contest the PAN and present evidence in support thereof before an FLD/FAN was issued." The same infirmity, respondent argues, is present here.

The *Motion for Reconsideration* is utterly without merit.

Section 1 of Rule 15 of the Revised Rules of the Court of Tax Appeals provides:

> SECTION 1. Who may and when to file motion. – **Any aggrieved party may seek a reconsideration** or new trial **of any** decision, **resolution** or order **of the Court by filing a motion for reconsideration or new trial within fifteen days from the date of receipt of notice of the decision, resolution or order of the Court in question**. (Emphasis supplied)

Records show that petitioner received the assailed *Decision* on **November 11, 2025**. Thus, it had until **November 26, 2025,** to file a motion for reconsideration. The *Motion for Reconsideration* filed on **November 19, 2025,** was therefore timely.

Nevertheless, the Court *En Banc* notes that the arguments raised in the present *Motion for Reconsideration* merely reproduce the discussions previously set forth in petitioner's *Petition for Review.* All the arguments reiterated in the *Motion for Reconsideration* had already been squarely addressed and ultimately rejected by the Court *En Banc* in the assailed *Decision.*

On this point, the Supreme Court's pronouncement in *Social Justice Society (SJS) Officers v. Lim,*[4] is instructive:

> 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

[4] G.R. Nos. 187836 & 187916, March 10, 2015 [Per J. Perez, *En Banc*] citing *Ortigas and Company Limited Partnership v. Velasco*, G.R. No. 109645, March 4, 1996 [Per C.J. Narvasa, Third Division].

> 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**. (Emphasis supplied)

Given that the *Motion for Reconsideration* merely repeats petitioner's arguments in its *Petition for Review*, there exists no sufficient reason to set aside or modify the assailed Decision dated November 3, 2025.

WHEREFORE, premises considered, petitioner's *Motion for Reconsideration (En Banc Decision dated 03 November 2025)* is **DENIED**.

SO ORDERED.

LANEE S. CUI-DAVID
Associate Justice

WE CONCUR:

MA. BELEN M. RINGPIS-LIBAN
Presiding Justice

JEAN MARIE A. BACORRO-VILLENA
Associate Justice

MARIA ROWENA MODESTO-SAN PEDRO
Associate Justice

x--x

Marian Ivy F. Reyes-Fajardo

MARIAN IVY F. REYES FAJARDO
Associate Justice

CORAZON G. FERRER-FLORES
Associate Justice

HENRY S. ANGELES
Associate Justice