18-000552-0113

REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

SPECIAL FIRST DIVISION

CTA CASE NO. 10001

ZENITH FOODS CORPORATION,
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 GUILING-MATANOG
Bureau of Internal Revenue
Room 703, Litigation Division, BIR National Office Building
Sen. Miriam P. Defensor-Santiago Avenue
Diliman, Quezon City

SALVADOR LLANILLO & BERNARDO
Units 815-816, Tower One & Exchange Plaza
Ayala Triangle, Ayala Avenue,
1226 Makati City

GREETINGS:

You are hereby notified by these presents that on **February 8, 2024,** a Resolution was rendered in the above-entitled case, copy of which is attached hereto.

Quezon City, Philippines, **February 13, 2024.**

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

REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
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SPECIAL FIRST DIVISION

ZENITH FOODS CORPORATION,
Petitioner,

-versus-

COMMISSIONER OF INTERNAL REVENUE,
Respondent.

CTA Case No. 10001

Members:

DEL ROSARIO, *P.J., Chairperson,*
MANAHAN, *and*
REYES-FAJARDO, *JJ.*

Promulgated:

FEB 0 8 2024, 3:45PM

x- x

RESOLUTION

This resolves petitioner Zenith Foods Corporation's *Motion to Confirm Closure of the Case on the basis of the Certificate of Availment Issued under Revenue Regulations No. 30-2002, as amended, as Evidence of the Approval of Compromise Settlement* filed on November 30, 2023, praying for the confirmation as to the closure of the instant case as the necessary consequence of the Certificate of Availment issued by the National Evaluation Board (NEB) pursuant to Revenue Regulations (RR) No. 30-2002; and

On July 28, 2022, petitioner filed a *Manifestation with Motion to Submit Compromise Settlement for Confirmation and Render Judgment Based on Compromise,*[1] to which respondent filed his *Comment* on September 6, 2022.[2] In the Resolution dated August 11, 2022,[3] the Court gave the parties thirty (30) days from receipt thereof to submit certain documents relative to the compromise settlement.

[1] Docket, Vol. III, pp. 1896 to 1901.
[2] *Id.*, Vol. III, pp. 1934 to 1939.
[3] *Id.*, Vol. III, pp. 1932 to 1933.

On September 21, 2022, petitioner filed the following:

1. *Submission (Re: Resolution dated August 11, 2022)*,[4]

2. *Motion to Admit Attached Reply (Re: Respondent's Comment dated August 30, 2022)*,[5] and

3. *Petitioner's Reply (Re: Respondent's Comment dated August 30, 2022)*.[6]

Subsequently, in the Resolution dated October 14, 2022,[7] the Court noted the submission, granted the *Motion to Admit Attached Reply*, and ordered the parties to submit the required *Compromise Agreement*, pursuant to CTA *En Banc* Resolution No. 7-2021 dated June 22, 2021.

On November 2, 2022, petitioner filed a *Manifestation*,[8] praying that the Court consider the Certificate of Availment and petitioner's application for compromise as the Compromise Agreement agreed upon by the parties to close and terminate this case.

In the Resolution dated November 21, 2022,[9] the Court noted and denied petitioner's *Manifestation*, and considered the case submitted for decision anew.

On January 25, 2023, respondent filed a *Motion to Dismiss*,[10] to which petitioner filed a *Comment (Re: CIR's Motion to Dismiss dated January 10, 2023)* on February 27, 2023.[11] In the Resolution dated April 26, 2023, the Court denied respondent's *Motion to Dismiss* for lack of merit.[12]

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[4] *Id.*, Vol. III, pp. 1941 to 1944.
[5] Docket, Vol. III, pp. 1984 to 1985.
[6] *Id.*, Vol. III, pp. 1987 to 1990.
[7] *Id.*, Vol. III, pp. 2004 to 2006.
[8] *Id.*, Vol. III, pp. 2007 to 2009.
[9] *Id.*, Vol. III, pp. 2016 to 2017.
[10] *Id.*, Vol. III, pp. 2018 to 2023.
[11] *Id.*, Vol. III, pp. 2028 to 2033.
[12] *Id.*, Vol. III, pp. 2039 to 2040.

Respondent, however, filed a *Motion for Reconsideration [re: Resolution dated 26 April 2023]* on May 17, 2023.[13] Petitioner then filed its *Comment (Re: CIR's Motion for Reconsideration dated May 15, 2023)* on June 19, 2023.[14] In the Resolution dated September 12, 2023,[15] the Court denied the said *Motion for Reconsideration* for lack of merit.

On November 30, 2023, petitioner filed a *Motion to Confirm Closure of the Case on the basis of the Certificate of Availment Issued under Revenue Regulations No. 30-2002, as amended, as Evidence of the Approval of Compromise Settlement.*

Respondent was granted a period of five (5) days from receipt to file comment or opposition.[16] However, instead of filing the required comment, respondent filed a *Motion for Extension of Time to File Comment*[17] on December 23, 2023 which was expunged from the records of the case for being a prohibited pleading.[18]

On January 11, 2024, respondent filed his *Comment*[19] on petitioner's motion stating that upon inquiry with the Large Taxpayer's Collection Enforcement Division (LTCED) of the BIR, there was indeed an approved application for compromise settlement and an issuance of Certificate of Availment (CA), thus, an Authority to Cancel Assessment (ATCA) was likewise issued.

On January 16, 2024, due to the pendency of petitioner's motion, the promulgation of the decision in the present case is deferred.[20]

It should be recalled that petitioner's *Motion to Submit Compromise Settlement for Confirmation and Render Judgment Based on Compromise* was finally denied in the Court's Resolution dated November 21, 2022 for non-compliance with the requisite of CTA *En Banc* Resolution No. 7-2021 dated June

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[13] *Id.*, Vol. III, pp. 2041 to 2048.
[14] *Id.*, Vol. III, pp. 2082 to 2087.
[15] *Id.*, Vol. III, pp. 2092 to 2096.
[16] Docket Vol. III, Notice dated December 19, 2023, p. 2137.
[17] *Id.*, Vol. III, pp. 2139 to 2140.
[18] Docket Vol. III, Notice dated January 12, 2024, p. 2147.
[19] *Id.*, Vol. III, pp. 2143 to 2144.
[20] Docket Vol. III, Resolution dated January 16, 2024, pp. 2151 to 2152.

22, 2021, particularly on the parties' failure to submit a Compromise Agreement.

However, the CTA *En Banc* Resolution No. 7-2021 presupposes that the compromise settlement was reduced into a Compromise Agreement, hence, the need for Judgment by Compromise Agreement. It is independent and separate from the administrative compromise settlement under Section 204(A) of the 1997 National Internal Revenue Code, as amended, by the NEB.

The Court is likewise not precluded from recognizing the approved administrative compromise settlement which is evidenced by a CA and an ATCA.

Section 2, Rule 129 of the Revised Rules of Court, as amended, provides:

> "SEC. 2. *Judicial notice, when discretionary.* – **A court may take judicial notice of matters which** are of public knowledge, or are capable of unquestionable demonstration, or **ought to be known to judges because of their judicial functions**." (*Emphasis supplied*)

Based on the records of this case, petitioner applied for a compromise settlement and was approved by the NEB as evidenced by the CA which was submitted to this Court.

Further, respondent admitted in his *Comment* to petitioner's *Motion to Confirm Closure of the Case on the basis of the Certificate of Availment Issued under Revenue Regulations No. 30-2002, as amended, as Evidence of the Approval of Compromise Settlement* that there was already the issuance of ATCA on the subject assessment. Thus, petitioner has no subsisting tax liability anymore.

WHEREFORE, in light of the foregoing, petitioner's *Motion to Confirm Closure of the Case on the basis of the Certificate of Availment Issued under Revenue Regulations No. 30-2002, as amended, as Evidence of the Approval of Compromise Settlement* is hereby **GRANTED**. Accordingly, petitioner's *Petition for Review* is **DISMISSED** for being moot and academic.

The case is **CLOSED** and **TERMINATED**.

For clarification, the pronouncement herein does not in any way confirm that the Compromise Agreement entered into between the parties, where the assessment in the total amount of **Php1,370,825,216.97** was settled for the amount of **Php28,200,000.00**, is not contrary to law or public policy.

SO ORDERED.

ROMAN G. DEL ROSARIO
Presiding Justice

CATHERINE T. MANAHAN
Associate Justice

MARIAN IVY F. REYES-FAJARDO
Associate Justice