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SECOND DIVISION

[G.R. No. 212699. March 13, 2019]

COMMISSIONER OF INTERNAL REVENUE, *petitioner, vs.* **PHILIPPINE NATIONAL BANK,** *respondent.*

SYLLABUS

1. TAXATION; NATIONAL INTERNAL REVENUE CODE; REFUND; A SUBMISSION OF THE QUARTERLY INCOME TAX RETURNS OF THE SUCCEEDING TAXABLE YEAR IS NOT REQUIRED IN A CLAIM FOR REFUND.— [T]his Court is not in disagreement with the CIR in recognizing that the burden of proof to establish entitlement to a refund is on the claimant. This is why in every case for such claims, the Court has always ruled that the claimant should positively show compliance with the statutory requirements provided under the NIRC and the relevant BIR rules and regulations. We, however, cannot subscribe to the CIR's contention that the presentation of the Quarterly ITRs is indispensable to the claimant's case. The CTA correctly ruled that there is nothing under the NIRC that requires the submission of the Quarterly ITRs of the succeeding taxable year in a claim for refund. Even the BIR's own regulations do not provide for such requirement.

2. ID.; ID.; ID.; REFUND OF EXCESS AND UNUTILIZED CREDITABLE WITHHOLDING TAXES; REQUISITES; ONCE THE MINIMUM STATUTORY REQUIREMENTS HAVE BEEN COMPLIED WITH, THE CLAIMANT SHOULD BE CONSIDERED TO HAVE SUCCESSFULLY DISCHARGED ITS BURDEN TO PROVE ITS ENTITLEMENT TO THE REFUND.— [A]s implemented by the applicable rules and regulations, and as interpreted in a vast array of decisions, a taxpayer who seeks a refund of excess and unutilized CWT must: "1) File the claim with the CIR within the two-year period from the date of payment of the tax; 2) Show on the return that the income received was declared as part of the gross income; and 3) Establish the fact of withholding by a copy of a statement duly issued by the payor to the payee showing the amount paid and the amount of

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tax withheld." Verily, as consistently held by this Court, once the minimum statutory requirements have been complied with, the claimant should be considered to have successfully discharged its burden to prove its entitlement to the refund. After the claimant has successfully established a *prima facie* right to the refund by complying with the requirements laid down by law, the burden is shifted to the opposing party, *i.e.*, the BIR, to disprove such claim. To rule otherwise would be to unduly burden the claimant with additional requirements which has no statutory nor jurisprudential basis.

3. **ID.; ID.; ID.; COMMISSIONER OF INTERNAL REVENUE; VESTED WITH THE POWER TO DECIDE MATTERS CONCERNING REFUNDS OF INTERNAL REVENUE TAXES.—** [T]he power to decide matters concerning refunds of internal revenue taxes, among others, is vested in the CIR. It has the duty to ascertain the veracity of such claims and should not just wait and hope for the burden to fall on the claimant when the issue reaches the court. In *Commissioner of Internal Revenue v. PERF Realty Corporation*, the Court ruled that it is the duty of the CIR to verify whether or not the claimant had carried over its excess CWT. The CTA's jurisdiction is appellate, meaning it merely has the authority to review the CIR's decisions on such matters. In the exercise of its authority to review, the CTA cannot dictate what particular evidence the parties must present to prove their respective cases. The means of ascertainment of a fact is best left to the party that alleges the same. The court's power is limited only to the appreciation of that means pursuant to the prevailing rules of evidence. Thus, this Court finds no basis to rule for the indispensability presenting the Quarterly ITRs for a CWT refund or tax credit claim.

4. **ID.; ID.; ID.; THE ANNUAL INCOME TAX RETURN OR FINAL ADJUSTMENT RETURN FOR THE TAXABLE YEAR SUBSEQUENT TO THE YEAR WHEN THE CREDITABLE WITHHOLDING TAXES (CWT) FORMS PART CAN SUFFICIENTLY REVEAL WHETHER A CARRY OVER TO THE SUCCEEDING QUARTERS WAS MADE EVEN IF THE CLAIMANT HAS PREVIOUSLY CHOSEN THE OPTION OF REFUND OF, OR TAX CREDIT FOR THE CLAIMED CWT.—** In *Winebrenner* [*& Iñigo Insurance Brokers, Inc. v.* CIR], the Court explained that an Annual ITR contains the total taxable income earned for

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the four quarters of the taxable year, as well as deductions and tax credits previously reported or carried over in the Quarterly ITRs for the subject period. The Annual ITR or Final Adjustment Return for the taxable year subsequent to the year when the CWT forms part, perforce, can sufficiently reveal whether a carry over to the succeeding quarters was made even if the claimant has previously chosen the option of refund of, or tax credit for the claimed CWT. x x x Thus, despite PNB's failure to present at the onset its Quarterly ITRs for 2006, its Annual ITR for 2006 is apt and sufficient to show that no CWT carry over was made in 2006.

5. REMEDIAL LAW; CIVIL PROCEDURE; APPEALS; REVIEW UNDER RULE 45 OF THE RULES OF COURT; FACTUAL FINDINGS OF THE COURT OF TAX APPEALS WHEN SUPPORTED BY SUBSTANTIAL EVIDENCE WILL NOT BE DISTURBED ON APPEAL, UNLESS THERE HAS BEEN AN ABUSE OF DISCRETION ON ITS PART.— Anent, the CIR's argument, questioning the authenticity and due execution of the Certificates of Creditable Taxes Withheld, the same should be given scant consideration. Foremost, said argument is belatedly raised before this Court. x x x Besides, resolving this issue would necessitate a re-examination of evidence on record, which is not within the purview of a review under Rule 45 of the Rules of Court. Further, it is well settled that factual findings of the CTA when supported by substantial evidence, will not be disturbed on appeal. Due to the nature of its functions, the tax court dedicates itself to the study and consideration of tax problems and necessarily develops expertise thereon. Unless there has been an abuse of discretion on its part, the Court accords the highest respect to the factual findings of the CTA.

APPEARANCES OF COUNSEL

Office of the Solicitor General for petitioner.
Zambrano & Gruba Law Offices for respondent.

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D E C I S I O N

REYES, J. JR., *J.*:

This petition for review on *certiorari*[1] under Rule 45 of the Rules of Court assails the Amended Decision[2] dated February 4, 2014 of the Court of Tax Appeals (CTA) *En Banc* in CTA EB Case No. 859, which ordered petitioner Commissioner of Internal Revenue (CIR) to refund respondent Philippine National Bank's (PNB's) excess and unutilized creditable withholding taxes (CWT) for the taxable year 2005, or to issue a tax credit certificate therefor in favor of PNB. The CTA's Resolution[3] dated May 27, 2014, which denied the CIR's motion for reconsideration is likewise impugned herein.

Factual Antecedents

On April 17, 2006, PNB electronically filed its Annual Income Tax Return (ITR) for taxable year 2005. The following day, it manually filed the same with the required attachments thereto.[4]

Through letters with attachments dated February 12, 2007, June 22, 2007, and March 10, 2008, which were received by the CIR on February 22, 2007, June 25, 2007, and March 13, 2008, respectively, PNB filed its claim for refund or issuance of tax credit certificate of its excess CWT in the amount of ₱74,598,430.47.[5]

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[1] *Rollo*, pp. 45-72.

[2] Penned by Court of Tax Appeals Associate Justice Caesar A. Casanova, with Presiding Justice Roman G. Del Rosario, and Associate Justices Juanito C. Castañeda, Jr., Esperanza R. Fabon-Victorino, and Ma. Belen M. Ringpis-Liban, concurring; and Associate Justices Lovell R. Bautista, Erlinda P. Uy, Cielito N. Mindaro-Grulla and Amelia R. Cotangco-Manalastas, dissenting; *id*. at 13-33.

[3] Associate Justice Erlinda P. Uy, on leave; *id*. at 35-43.

[4] *Id*. at 48.

[5] *Id*.

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Due to the CIR's inaction to the said claim, PNB filed a petition for review for its claim on April 11, 2008 before the CTA.[6]

On September 30, 2011, the CTA Third Division rendered a Decision,[7] finding PNB's evidence to be insufficient to support its claim for refund or the issuance of a tax credit certificate. Specifically, the CTA Third Division pointed out that the presentation of PNB's Annual ITR for 2006 is not enough to prove that it did not carry over the claimed excess or unutilized CWT to the subsequent quarters of 2006, ruling that the presentation of the succeeding Quarterly ITRs is vital to its claim for refund. It disposed, thus:

WHEREFORE, the Petition for Review is hereby **DENIED**.

SO ORDERED.[8]

PNB filed a motion for reconsideration but the same was denied in a Resolution[9] dated December 29, 2011.

PNB then appealed to the CTA *En Banc*, raising the sole issue of whether or not the presentation of the 2006 Quarterly ITRs is indispensable to PNB's claim for refund of its excess or unutilized CWT for 2005.

By a vote of 4-4-1 in its June 5, 2013 Decision,[10] the CTA denied the appeal, thus:

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[6] *Id*.

[7] Penned by Associate Justice Lovell R. Bautista, with Associate Justice Amelia R. Cotangco-Manalastas, concurring and Associate Justice Olga Palanca-Enriquez, dissenting.; *id*. at 114-140.

[8] *Id*. at 126.

[9] *Id*. at 171-174.

[10] Penned by Associate Justice Cielito N. Mindaro-Grulla, with Associate Justices Lovell R. Bautista, Erlinda P. Uy and Amelia R. Cotangco-Manalastas, concurring; Presiding Justice Roman G. Del Rosario and Associate Justices Juanito C. Castañeda, Jr., Caesar A. Casanova and Esperanza R. Fabon-Victorino, dissenting; and Associate Justice Ma. Belen M. Ringpis-Liban, no part; *id*. at 248-275.

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WHEREFORE, premises considered, the Petition for Review is hereby **DENIED**. The Decision and Resolution of the former Third Division of this Court in CTA Case No. 7760 dated September 30, 2011 and December 29, 2011, respectively, are hereby **AFFIRMED**. No pronouncement as to costs.

SO ORDERED.[11]

Undaunted, PNB filed a Motion for Reconsideration[12] dated June 28, 2013.

On February 4, 2014, the CTA *En Banc* rendered the assailed Amended Decision,[13] granting PNB's motion for reconsideration. The CTA *En Banc* ruled that there is nothing in our tax laws that requires the presentation of the Quarterly ITRs for succeeding years to establish entitlement to the refund of excess or unutilized CWT.[14]

Further, this time, the CTA *En Banc* recognized that the Supreme Court had, in several occasions, already passed upon this issue. It cited the cases of *Philam Asset Management, Inc. v. Commissioner of Internal Revenue*,[15] *State Land Investment Corporation v. Commissioner of Internal Revenue*,[16] and *Commissioner of Internal Revenue v. PERF Realty Corporation*,[17] wherein this Court ruled that the presentation of ITRs for the succeeding taxable years is not an essential requisite in proving a claim for refund of excess or unutilized CWT.[18] The Court elucidated that the presentation or non-presentation of the said document is not fatal to the refund claim as it is the duty of the

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[11] *Id*. at 263.

[12] *Id*. at 276-286.

[13] *Supra* note 2.

[14] *Id*. at 16.

[15] 514 Phil. 147 (2005).

[16] 566 Phil. 113 (2008).

[17] 579 Phil. 442 (2008).

[18] *Rollo*, pp. 16-19.

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CIR to verify whether or not the taxpayer carried over its excess CWT to the succeeding year.[19]

The CTA *En Banc* also found that PNB complied with all the requisites for the filing of such claim. *First*, there is no dispute that PNB filed its claim within the two-year prescriptive period. *Second*, that the income related to the ₱74,026,451.67 CWT formed part of PNB's taxable income for the years 1999 to 2006 were evidenced by the documents presented by PNB, which were evaluated by the Independent Certified Public Accountant (ICPA), to wit: original accounting tickets or input sheets; original deeds of absolute/conditional sale; general ledgers for the years 1999 to 2006; audited financial statements; and ITRs for the years 1999 to 2006. *Third*, PNB presented Certificates of Creditable Tax Withheld at Source duly issued to it by various withholding agents for the year 2005, which were examined by the Court-commissioned ICPA, SGV & Co., through its partner, Ms. Mary Ann C. Capuchino, to establish the fact of withholding. The ICPA noted, however, that out of the ₱74,598,430.47 CWT claimed for refund, only the amount of ₱74,026,451.67 was properly supported by original Certificates of Creditable Tax Withheld at Source issued in the name of PNB and dated within the calendar year 2005.[20]

In all, the CTA held that PNB was able to sufficiently prove its claim for refund, albeit for the reduced amount of ₱74,026,451.67, disposing as follows:

> **WHEREFORE**, premises considered, [PNB's] Motion for Reconsideration (of the 05 June 2013 Decision) is hereby **GRANTED**. Accordingly, the Assailed Decision dated June 5, 2013 is hereby **REVERSED** and **SET ASIDE**. [The CIR] is **ORDERED TO REFUND**, or in the alternative, **ISSUE A TAX CREDIT CERTIFICATE** in favor of [PNB] in the amount of **Seventy-Four Million Twenty-Six Thousand Four Hundred Fifty-One Pesos and 67/100 (₱74,026,451.67)**, representing excess and unutilized creditable withholding taxes for the taxable year 2005.

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[19] *Id*. at 18.

[20] *Id*. at 19-26.

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SO ORDERED.[21]

Insisting that the presentation of the Quarterly ITRs for the succeeding taxable year is incumbent upon claimants of CWT refund to prove its entitlement thereto, the CIR filed a motion for reconsideration, which was denied by the CTA *En Banc* in its May 27, 2014 assailed Resolution:[22]

WHEREFORE, there being no new matters or issues advanced by [the CIR] in [its] Motion which may compel this Court to reverse, modify or amend the Amended Decision, the instant Motion for Reconsideration is hereby **DENIED** for lack of merit.

SO ORDERED.[23]

Hence, this petition.

In the main, the CIR maintains that the presentation of the Quarterly ITRs for 2006 is indispensable to PNB's refund claim to prove its entitlement thereto. The CIR argues in this wise: under Section 76 of the National Internal Revenue Code (NIRC), the taxpayer has the option to either carry over the excess CWT to the succeeding taxable quarters or to claim for a refund of, or tax credit for such excess amount paid; once the taxpayer opted for the carry over, the same shall be irrevocable and it will not be entitled to a refund anymore; the Quarterly ITRs would establish whether or not such carry over happened; hence, such Quarterly ITRs are indispensable for the refund claim.[24]

The CIR further argues that, assuming the presentation of the Quarterly ITRs is not necessary, PNB's claim for refund must still be denied because the Certificates of Creditable Taxes Withheld presented were not properly identified. Specifically, the CIR avers that the authenticity of such document should have been proved by identification of a person who saw the

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[21] *Id*. at 27.

[22] *Supra* note 3.

[23] *Rollo*, p. 42.

[24] *Id*. at 59-62.

same executed or by evidence of the genuineness of the signature or handwriting of the maker.[25]

In fine, the CIR asserts that the PNB failed to discharge its burden to prove entitlement to the claimed refund.

The Issue

Ultimately, the issue here is whether or not the PNB proved its entitlement to the refund. Of crucial importance for the resolution thereof, however, is whether the presentation of the Quarterly ITRs of the succeeding quarters of a taxable year is indispensable for such claim.

The Court's Ruling

The instant petition presents no novel issue. In the more recent case of *Winebrenner & Iñigo Insurance Brokers, Inc. v. Commissioner of Internal Revenue*,[26] consistent with the settled jurisprudence on the matter, the Court specifically ruled that the presentation of the claimant's quarterly returns is not a requirement to prove entitlement to the refund. Notably, said case applies squarely to the instant petition and we find no good reason to deviate from its tenets as it remains to be a good law.

To be sure, this Court is not in disagreement with the CIR in recognizing that the burden of proof to establish entitlement to a refund is on the claimant. This is why in every case for such claims, the Court has always ruled that the claimant should positively show compliance with the statutory requirements provided under the NIRC and the relevant BIR rules and regulations.[27] We, however, cannot subscribe to the CIR's contention that the presentation of the Quarterly ITRs is indispensable to the claimant's case.

The CTA correctly ruled that there is nothing under the NIRC that requires the submission of the Quarterly ITRs of the succeeding taxable year in a claim for refund. Even the BIR's

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[25] *Id.* at 67.

[26] 752 Phil. 375 (2015).

[27] *Team Sual Corporation (Formerly Mirant Sual Corporation) v. Commissioner of Internal Revenue*, G.R. Nos. 201225-26, April 18, 2018.

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own regulations do not provide for such requirement. Section 76 of the NIRC provides:

> SEC. 76. *Final Adjustment Return*. — Every corporation liable to tax under Section 27 shall file a final adjustment return covering the total taxable income for the preceding calendar or fiscal year.
>
> If the sum of the quarterly tax payments made during the said taxable year is not equal to the total tax due on the entire taxable income of that year, the corporation shall either:
>
> (A) Pay the balance of tax still due; or
>
> (B) Carry-over the excess credit; or
>
> (C) Be credited or refunded with the excess amount paid, as the case may be.
>
> In case the corporation is entitled to a tax credit or refund of the excess estimated quarterly income taxes paid, the excess amount shown on its final adjustment return may be carried over and credited against the estimated quarterly income tax liabilities for the taxable quarters of the succeeding taxable years.
>
> Once the option to carry-over and apply the excess quarterly income tax against income tax due for the taxable quarters of the succeeding taxable years has been made, such option shall be considered irrevocable for that taxable period and no application for cash refund or issuance of a tax credit certificate shall be allowed therefor.

Relatively, as implemented by the applicable rules and regulations, and as interpreted in a vast array of decisions, a taxpayer who seeks a refund of excess and unutilized CWT must:

1) File the claim with the CIR within the two-year period from the date of payment of the tax;

2) Show on the return that the income received was declared as part of the gross income; and

3) Establish the fact of withholding by a copy of a statement duly issued by the payor to the payee showing the amount paid and the amount of tax withheld.[28]

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[28] *Winebrenner & Iñigo Insurance Brokers, Inc. v. Commissioner of Internal Revenue*, *supra* note 26, at 388.

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Verily, as consistently held by this Court, once the minimum statutory requirements have been complied with, the claimant should be considered to have successfully discharged its burden to prove its entitlement to the refund.[29] After the claimant has successfully established a *prima facie* right to the refund by complying with the requirements laid down by law, the burden is shifted to the opposing party, *i.e.*, the BIR, to disprove such claim.[30] To rule otherwise would be to unduly burden the claimant with additional requirements which has no statutory nor jurisprudential basis.

Thus, once the claimant has successfully established that its claim was filed within the two-year prescriptive period; that the income related to the claimed CWT formed part of the return during the taxable year when the refund is claimed for; and the fact of withholding of said taxes, it shall be deemed to be entitled to its claimed CWT refund. If the CIR, as the one mandated to examine and decide matters of taxes and refunds,[31] finds otherwise, it is then incumbent upon it to prove the propriety of denying the claim before the court. Specifically, if the BIR asserts that the claimant is not entitled to the refund as the claimed CWT were already carried over to the succeeding taxable quarters, it is up to the BIR to prove such assertion.

In the case of *Republic v. Team Energy (Phils.) Corporation*,[32] the Court even stressed on the fact that the BIR ought to have its own copies, originals at that, of the claimant's quarterly returns on file, on the basis of which it could have easily rebut the claim that the excess or unutilized CWT sought for refund were carried over to the immediately succeeding taxable quarters. The Court even went further to emphatically rule in the said case that the failure to present such document during the trial is fatal against the BIR's case rather than the claimant's.

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[29] See *Commissioner of Internal Revenue v. PERF Realty Corporation*, *supra* note 17, at 453.

[30] See *Republic v. Team (Phils.) Energy Corporation*, 750 Phil. 700 (2015).

[31] NIRC, Section 4.

[32] *Supra* note 30, at 710.

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It bears stressing that the power to decide matters concerning refunds of internal revenue taxes, among others, is vested in the CIR.[33] It has the duty to ascertain the veracity of such claims and should not just wait and hope for the burden to fall on the claimant when the issue reaches the court.[34] In *Commissioner of Internal Revenue v. PERF Realty Corporation*,[35] the Court ruled that it is the duty of the CIR to verify whether or not the claimant had carried over its excess CWT. The CTA's jurisdiction is appellate, meaning it merely has the authority to review the CIR's decisions on such matters. In the exercise of its authority to review, the CTA cannot dictate what particular evidence the parties must present to prove their respective cases. The means of ascertainment of a fact is best left to the party that alleges the same. The court's power is limited only to the appreciation of that means pursuant to the prevailing rules of evidence.[36]

Thus, this Court finds no basis to rule for the indispensability presenting the Quarterly ITRs for a CWT refund or tax credit claim.

At this juncture, it is imperative to focus the disquisition on the fact that PNB proffered its Annual ITR for 2006 to prove that it did not carry over its 2005 CWT to 2006. This Court is confounded by the CIR's submission that said ITR is not enough to fully ascertain that there was no carry over.

In *Winebrenner*, the Court explained that an Annual ITR contains the total taxable income earned for the four quarters of the taxable year, as well as deductions and tax credits previously reported or carried over in the Quarterly ITRs for the subject period. The Annual ITR or Final Adjustment Return for the taxable year subsequent to the year when the CWT forms

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[33] *Supra* note 31.

[34] See *Winebrenner & Iñigo Insurance Brokers, Inc. v. Commissioner of Internal Revenue*, *supra* note 26 at 396.

[35] *Supra* note 17, at 454.

[36] *Winebrenner & Iñigo Insurance Brokers, Inc. v. Commissioner of Internal Revenue*, *supra* note 26, at 391.

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part, perforce, can sufficiently reveal whether a carry over to the succeeding quarters was made even if the claimant has previously chosen the option of refund of, or tax credit for the claimed CWT. The Court, in the said case, proceeded to explain in detail, *viz.*:

> If the excess tax credits of the preceding year were deducted, whether in whole or in part, from the estimated income tax liabilities of any of the taxable quarters of the succeeding taxable year, the total amount of the tax credits deducted for the entire taxable year should appear in the Annual ITR under the item "Prior Year's Excess Credits." Otherwise, or if the tax credits were carried over to the succeeding quarters and the corporation did not report it in the annual ITR, there would be a discrepancy in the amounts of combined income and tax credits carried over for all quarters and the corporation would end up shouldering a bigger tax payable. **It must be remembered that taxes computed in the quarterly returns are mere estimates. It is the annual ITR which shows the aggregate amounts of income, deductions, and credits for all quarters of the taxable year. It is the final adjustment return which shows whether a corporation incurred a loss or gained a profit during the taxable quarter. Thus, the presentation of the annual ITR would suffice in proving that prior year's excess credits were not utilized for the taxable year in order to make a final determination of the total tax due.**[37] (Emphasis supplied; citation omitted)

Thus, despite PNB's failure to present at the onset its Quarterly ITRs for 2006, its Annual ITR for 2006 is apt and sufficient to show that no CWT carry over was made in 2006.

Besides, even if a contrary ruling would be issued by this Court in the case at bar, PNB cannot be prejudiced for relying on the prevailing rule that presentation of succeeding ITRs is not necessary. It is noteworthy that PNB attempted to file its 2006 Quarterly ITRs through a Motion to Reopen (To Allow [PNB's] Additional Evidence[38] dated March 16, 2010, which was actually granted by the CTA Third Division in its Resolution[39]

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[37] *Id.* at 393.

[38] *Rollo*, pp. 203-207.

[39] *Id.* at 213.

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dated May 5, 2010. Relying, however, upon *Philam*,[40] and other pertinent jurisprudence also relied upon by the CTA *En Banc* in its assailed Amended Decision, PNB realized that the presentation of its 2006 Quarterly ITRs is not necessary. Hence, it filed a Motion to Withdraw[41] its previous motion to submit its 2006 Quarterly ITRs. Said withdrawal was also granted by the CTA Third Division in the same Resolution dated May 5, 2010.[42]

Anent, the CIR's argument, questioning the authenticity and due execution of the Certificates of Creditable Taxes Withheld, the same should be given scant consideration. Foremost, said argument is belatedly raised before this Court. These documents were admitted at the initial stage of the proceedings before the CTA Third Division and records show that no such objection was made during the formal offer of said documents. Moreover, these Certificates of Final Tax Withheld, complete in relevant details, were declared under the penalty of perjury. As such, they may be taken at face value.[43]

Besides, resolving this issue would necessitate a re-examination of evidence on record, which is not within the purview of a review under Rule 45 of the Rules of Court.[44] Further, it is well settled that factual findings of the CTA when supported by substantial evidence, will not be disturbed on appeal. Due to the nature of its functions, the tax court dedicates itself to the study and consideration of tax problems and necessarily develops expertise thereon. Unless there has been an abuse of discretion on its part, the Court accords the highest respect to the factual findings of the CTA.[45]

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[40] *Philam Asset Management, Inc. v. Commissioner of Internal Revenue*, *supra* note 15.

[41] *Rollo*, pp. 208-211.

[42] *Supra* note 39.

[43] *Philippine Airlines, Inc. v. Commissioner of Internal Revenue*, G.R. Nos. 206079-80, January 17, 2018.

[44] *Yap v. Lagtapon*, G.R. No. 196347, January 23, 2017, 815 SCRA 94, 104-105.

[45] *Team Sual Corporation (Formerly Mirant Sual Corporation) v. Commissioner of Internal Revenue*, *supra* note 27.

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In all, having established that PNB complied with the minimum statutory requirements above-enumerated, and that the submission of its Quarterly ITRs are not indispensable to its claim, we find no reversible error on the part of the CTA *En Banc* in ruling that PNB is entitled to the claimed refund or tax credit.

WHEREFORE, premises considered, the instant petition is **DENIED**. Accordingly, the Amended Decision dated February 4, 2014 and the Resolution dated May 27, 2014 of the Court of Tax Appeals *En Banc* in CTA EB Case No. 859 are hereby **AFFIRMED**.

SO ORDERED.

Carpio, Senior Associate Justice (Chairperson), Perlas-Bernabe, Caguioa, and *Lazaro-Javier, JJ.*, concur.

THIRD DIVISION

[G. R. No. 216632. March 13, 2019]

AUGUSTO REGALADO *y* LAYLAY, *petitioner, vs.* **PEOPLE OF THE PHILIPPINES,** *respondent.*

SYLLABUS

1. REMEDIAL LAW; EVIDENCE; CREDIBILITY OF WITNESSES; GENERALLY, FINDINGS OF FACT BY THE TRIAL COURT, WHEN AFFIRMED BY THE COURT OF APPEALS, ARE GIVEN GREAT WEIGHT AND CREDENCE ON REVIEW; AN EXCEPTION IS WHEN EITHER OR BOTH OF THE LOWER COURTS OVERLOOKED OR MISCONSTRUED SUBSTANTIAL FACTS WHICH COULD HAVE AFFECTED THE OUTCOME OF THE CASE.— Generally, "the findings of