REPUBLIC OF THE PHILIPPINES
Court of Tax Appeals
QUEZON CITY

SPECIAL SECOND DIVISION

PILIPINAS KYOHRITSU, INC., Petitioner,	**CTA CASE NO. 10689**
	Present:
vs.	**RINGPIS-LIBAN**, *P.J., Chairperson*, **MODESTO-SAN PEDRO**, and **FERRER-FLORES**, *JJ.*
COMMISSIONER OF INTERNAL REVENUE, Respondent.	Promulgated: 2:49 PM

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RESOLUTION

FERRER-FLORES, J.:

Submitted before this Court is respondent's **Motion for Partial Reconsideration (Re: Decision dated 09 September 2025)** filed on September 29, 2025, without petitioner's comment as per Records Verification dated January 7, 2026.

On September 9, 2025, the Court promulgated the Decision only partially granting, in a reduced amount, petitioner's claim for additional refund of input value-added tax (VAT) for failing to prove that all the reported zero-rated sales or effectively zero-rated sales during the first quarter of fiscal year (FY) 2020 qualify as such, the dispositive portion of which reads:

> **WHEREFORE**, in light of the foregoing consideration, the present *Petition for Review* is **PARTIALLY GRANTED**.
>
> Accordingly, respondent is **ORDERED TO REFUND** or **ISSUE A TAX CREDIT CERTIFICATE** in favor of petitioner the additional amount the additional amount of **₱5,317.26**, representing the latter's unutilized input VAT attributable to its zero-rated sales for the period covering the 1st quarter of FY 2020, or from April 1, 2019 to June 30, 2019.

SO ORDERED.

In his *Motion*, respondent assails the above Decision and reiterates that petitioner failed to substantiate its claim for refund during the administrative proceeding. Citing the case of *Pilipinas Total Gas, Inc. vs. Commissioner of Internal Revenue* (Pilipinas Total Gas),[1] respondent asserts that, since a decision was rendered in the administrative level, this Court's jurisdiction shifts from a trial court to an appellate tribunal; thus, this Court should confine itself to whether the findings of respondent are consistent with law. Respondent continues that petitioner did not provide at the administrative level all the documents it submitted during trial of the case, *i.e.*, Philippine Economic Zone Authority (PEZA) Certificates, Statements of Accounts, and Billing Statements, which naturally resulted in the partial denial of its administrative claim for refund. As such, respondent argues that this Court should be confined to a more limited issue of whether the denial was proper given the evidence submitted at the administrative level. Lastly, respondent submits that tax refunds are in the nature of tax exemptions which are considered as derogation of sovereign authority and to be construed *strictissimi juris* against the person claiming the refund, wherein the applicant must prove not only entitlement to the grant of the claim under substantive law, but must also show satisfaction of all the documentary and evidentiary requirements.

After due consideration, the Court finds respondent's *Motion for Partial Reconsideration* bereft of merit. Notably, in the present *Motion*, respondent merely reiterates the contentions he advanced in his *Answer* filed on May 23, 2022[2] adopted as his arguments in his Memorandum.[3]

Herein, even if the Court reconsiders and re-weighs respondent's reasons, the evidence have nonetheless, shown that (1) petitioner sufficiently proved that it was entitled law to the grant of its claim; and, (2) petitioner satisfied all the documentary and evidentiary requirements for it to be entitled to the claimed refund or issuance of tax credit in the amount of ₱5,317.26.

To emphasize, Section 8 of Republic Act (R.A.) No. 1125,[4] as amended, declares that the Court of Tax Appeals (CTA) is a *"court of record"*. Being such, it is required to conduct a formal litigation (trial *de novo*) where the parties must present their evidence accordingly if they desire the Court to take such evidence into consideration.[5] The appealing party must establish that it is entitled to the refund being sought under substantive law. Correspondingly, the Court is authorized to conduct trial *de novo*, and

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1 G.R. No. 207112, December 8, 2015.
2 Docket – Vol. 1, pp. 320 to 336
3 See *Manifestation* filed on August 29, 2024, Docket – Vol. 2, pp. 958 to 960,
4 An Act Creating the Court of Tax Appeals (June 16, 1954).
5 *Commissioner of Internal Revenue vs. Manila Mining Corporation*, G.R. No. 153204, August 31, 2005.

consistent with this principle, parties who come to court are required to prove every aspect of their case if they want the Court to take such evidence into consideration.[6]

Furthermore, the power of the Court to exercise its appellate jurisdiction does not preclude it from considering evidence that was not presented in the administrative claim in the BIR.[7] The question of whether the evidence submitted by a party is sufficient to warrant the granting of its prayer lies within the sound discretion and judgment of the Court. As cases filed before this Court are litigated *de novo*, the Court is not governed strictly by technical rules of evidence, thus, is not precluded from considering evidence not presented at the administrative level for the paramount consideration remains the ascertainment of truth.[8]

In *Commissioner of Internal Revenue vs. Philippine Bank of Communications*,[9] the Supreme Court, citing *Commissioner of Internal Revenue vs. Manila Mining Corp.*,[10] emphasized that, since the claim for tax refund or credit was litigated anew before the CTA, the latter's decision must be anchored exclusively on the evidence formally offered before the Court, notwithstanding any pieces of evidence submitted at the administrative level.

All told, respondent's reliance on *Pilipinas Total Gas* is misplaced in view of Section 8 of R.A. No. 1125, as amended, which describes the CTA as a *court of record*, and in view of established jurisprudence holding that cases filed before the CTA are litigated *de novo*; thus, party litigants should prove every minute aspect of their case by **presenting, formally offering, and submitting to the Court all evidence required for the successful prosecution of their claims**.

In view of the foregoing disquisitions, there being no new matter or substantial issue raised by respondent in his *Motion for Partial Reconsideration*, the Court finds no compelling reason to reverse or modify the conclusions reached in the Decision promulgated on September 9, 2025.

ACCORDINGLY, respondent's **Motion for Partial Reconsideration (Re: Decision dated 09 September 2025)** is **DENIED** for lack of merit.

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6 *Philippine Airlines, Inc. (PAL) vs. Commissioner of Internal Revenue*, G.R. Nos. 206079-80, January 17, 2018; *Commissioner of Internal Revenue vs. Philippine National Bank*, G.R. no. 180290, September 29, 2014.

7 *Philippine Airlines, Inc. vs. Commissioner of Internal Revenue* and *Commissioner of Internal Revenue vs. Philippine Airlines, Inc.*, G.R. Nos. 206079-80 and 206309, January 17, 2018.

8 *Commissioner of Internal Revenue vs. Univation Motor Philippines, Inc. (formerly Nissan Motor Philippines, Inc.)*, G.R. No. 231581, April 10, 2019.

9 G.R. No. 153204, August 31, 2005.

10 G.R. No. 153204, August 31, 2005.

SO ORDERED.

CORAZON G. FERRER-FLORES
Associate Justice

WE CONCUR:

MA. BELEN M. RINGPIS-LIBAN
Presiding Justice

MARIA ROWENA MODESTO-SAN PEDRO
Associate Justice