

**REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY**

THIRD DIVISION

FMC SWITZERLAND II GMBH, CTA CASE NO. 10727
doing business under the name
FMC SWITZERLAND II GMBH, Members:
MANILA ROHQ,

Petitioner, **MANAHAN, Chairperson,**
REYES-FAJARDO, and
ANGELES, JJ.

-versus-

COMMISSIONER OF INTERNAL Promulgated:
REVENUE,

Respondent.

JUL 30 2025

10:54 a.m.

X- - - - -X

R E S O L U T I O N

MANAHAN, J.:

For this Court's resolution is petitioner's *Motion for Reconsideration [on the Decision promulgated on April 3, 2025]* personally filed on April 14, 2025 and electronically filed on April 15, 2025 with respondent's *Comment (Re: Petitioner's Motion for Reconsideration of Decision Dated April 3, 2025)* personally filed on May 6, 2025 and electronically filed on May 7, 2025.

Petitioner prays for the reversal and setting aside of the Court's Decision (assailed Decision) dated April 3, 2025, the dispositive portion of which, read as follows:

WHEREFORE, premises considered, the present
Petition for Review is **DISMISSED** for lack of jurisdiction.

SO ORDERED.

Petitioner's Arguments

Petitioner anchors its Motion for Reconsideration on the following grounds, and we quote:

“4.1. The interpretation of the law, the intent of the framers as may be inferred in the legislative history must prevail.

4.2. The relevant provisions of the TRAIN Law should determine the timeliness of the petitioner’s judicial claim.

4.3 Under the TRAIN Law, the taxpayer only has one remedy which is to appeal the decision of the BIR in cases of full or partial denial of its administrative claim.

4.4 Sec. 112(C) of the Tax Code as amended by TRAIN Law must prevail over R.A. No. 1125 as amended by R.A. No 9282.

4.5 The Honorable Court of Tax Appeals is a specialized court of Law and Justice in which case, it has the power to liberally construe its own rules.”

Petitioner argues that the amendments introduced by the Tax Reform for Acceleration and Inclusion Law (TRAIN Law)¹, particularly on Section 112(C) of the 1997 National Internal Revenue Code (NIRC), as amended, limited the remedy of judicial appeal only to instances when the taxpayer receives a decision from the Bureau of Internal Revenue (BIR), denying its value-added tax (VAT) refund claim. It quotes Section 112(C) of the NIRC, as amended, by the TRAIN Law, to wit:

Section 112. *Refunds or Tax Credits of Input Tax.* –

(C) Period within which Refund of Input Taxes shall be Made. – In proper cases, the Commissioner shall grant a refund for creditable input taxes within ninety (90) days from the date of submission of the official receipts or invoices and other documents in support of the application filed in accordance with Subsections (A) and (B) hereof: *Provided*, That should the Commissioner find that the grant of refund is not proper, the Commissioner must state in writing the legal and factual basis for the denial.

In case of full or partial denial of the claim for tax refund, the taxpayer affected may, within thirty (30) days from the receipt of the decision denying the claim, appeal the decision with the Court of Tax Appeals: *Provided, however*, That failure on the part of any official, agent, or employee of

¹ Took effect on January 1, 2018.

the BIR to act on the application within the ninety (90)-day period shall be punishable under Section 269 of this Code.

Petitioner quoted excerpts of the Bicameral Committee and the Senate deliberations on the TRAIN bills then pending in Congress and contends that the lawmakers intended to improve and tighten the VAT refund system by, among others, shortening the period within which the BIR has to decide on VAT refund claims from one hundred twenty (120) to ninety (90) days and indirectly simplifying the appeal process by removing “inaction of the BIR officials” as a ground for judicial appeal. It posits that the thirty (30)-day period to appeal to the Court of Tax Appeals (CTA) is reckoned only when a decision is rendered by the BIR on its VAT refund application, whether this be done before or after the lapse of the ninety (90)-day period to act on the claim. Thus, it insists that it timely filed its Petition for Review with the CTA within thirty (30) days from receipt of the decision of the BIR, hence, erroneous on the part of the Court to dismiss it for lack of jurisdiction.

Respondent's counter-arguments

Without directly addressing the arguments of petitioner, respondent, in his Comment, maintains that jurisdiction is conferred by law and a court cannot enlarge, diminish or dictate jurisdiction over a subject matter. Respondent cites Section 7 of Republic Act (RA) No. 1125, as amended, by RA No. 9282, which pertains to the CTA jurisdiction over refunds of internal revenue taxes, fees or other charges, penalties in relation thereto. To assume jurisdiction over the present Petition for Review would be erroneous for the Court as it will be engaging in judicial legislation. Respondent cautions that a decision rendered by a court without jurisdiction is null and void and without any effect.

RULING OF THE COURT

We find petitioner's arguments without merit.

Petitioner contends that the deletion by the TRAIN Law of the phrase “failure on the part of the Commissioner to act on the application” in Section 112(C) of the 1997 NIRC, as amended by the TRAIN Law, limits judicial appeal to decisions rendered by the BIR on VAT refund claims.

We disagree.

Section 7(a)(2) of RA No. 1125, as amended by RA No. 9282 provides for the jurisdiction of the CTA, thus

Section 7. *Jurisdiction.* -

(a) Exclusive appellate jurisdiction to review by appeal, as herein provided:

xxx

xxx

xxx

(2) **Inaction by the Commissioner of Internal Revenue** in cases involving disputed assessments, refunds of internal revenue taxes, fees or other charges, penalties in relation thereto, or other matters arising under the National Internal Revenue Code or other laws administered by the Bureau of Internal Revenue, **where the National Internal Revenue Code provides a specific period for action, in which case the inaction shall be deemed a denial.** (*Emphases supplied*)

The amendments introduced by the TRAIN Law should be read in conjunction with the provisions of RA No. 1125, as amended by RA No. 9282 specifically defining the jurisdiction of the CTA. The Supreme Court had the occasion to rule on the nature of RA No. 1125 as a special law in the case of *Philippine National Oil Company vs. The Honorable Court of Appeals*,² and we quote, to wit:

Republic Act No. 1125 is a special law dealing with a specific subject matter - the creation of the CTA, which shall exercise exclusive appellate jurisdiction over the tax disputes and controversies enumerated therein. (*Emphasis supplied*)

Being a special law, RA No. 1125 as amended by RA No. 9282, could not have been repealed by the TRAIN Law (which is a general law), unless there is an express provision to that effect. Basic in statutory construction is the rule that the enactment of a later legislation which is a general law cannot be construed to have repealed a special law unless expressly so stated.³ As a rule, repeal by implication is frowned upon, unless there is a clear showing that the later statute is so irreconcilably

² G.R. Nos. 109976 and 112800, April 26, 2005.

³ *Spouses Timoteo Recaña, Jr. and Ester Recaña vs the Court of Appeals, et al.*, G.R. No. 12850, January 5, 2001.

inconsistent and repugnant to the existing law that they cannot be reconciled and made to stand together.⁴ The provisions of Section 112(C), as amended by the TRAIN Law, can stand together with the provisions of RA No. 1125, as amended by RA No. 9282, and there is nothing inconsistent and repugnant in both laws. Be it noted that the TRAIN Law did not expressly repeal the provisions of RA No. 1125 as regards the jurisdiction of the CTA over the “inaction” of the CIR as being “deemed a denial,” hence appealable to this Court.

The Repealing Clause of Section 86 of the TRAIN Law contains laws/transactions that were expressly repealed upon its enactment and readily reveals that Section 7(a)(2) of RA No. 1125 is not included in the list.

The jurisdiction of the CTA over the inaction of the CIR in matters of claims for refund remains amidst changes introduced by the TRAIN Law especially when it comes to judicial appeal. Significant is the provision found in Section 7(a)(2) of RA No. 1125, as amended by RA No. 9282, which specifically states that “where the NIRC provides a specific period of action, in which case the inaction shall be deemed a denial”. The TRAIN law reduced the period of action by revenue officials on VAT refund claims from one hundred twenty (120) days to ninety (90) days, deeming it a denial if no action is done within said period, in which case, judicial appeal is already available and necessary.

In light of this, the ruling of the Supreme Court in the case of *Silicon Philippines, Inc. (Formerly Intel Philippines Manufacturing, Inc.) vs. CIR*⁵ is still relevant when it stated:

The judicial claim shall be filed within a period of 30 days after the receipt of respondent’s decision or ruling or after the expiration of the 120-day period, **whichever is sooner**.

Aside from the specific exception to the mandatory and jurisdictional nature of the periods provided by the law, any claim filed in a period less than or beyond the 120 + 30 days provided by the NIRC is outside the jurisdiction of the CTA.

⁴ *UCPB Leasing and Finance Corporation vs. Heirs of Florencio Leporgo, Sr., represented by Florencio Leporgo, Jr.*, G.R. No. 210976, January 12, 2021.

⁵ G.R. No. 182737, March 2, 2016.

In view of the foregoing, this Court finds no compelling reason to reverse or modify the assailed Decision.

WHEREFORE, premises considered, petitioner's *Motion for Reconsideration [on the Decision promulgated on April 3, 2025]* is **DENIED** for lack of merit.

SO ORDERED.


CATHERINE T. MANAHAN
Associate Justice

WE CONCUR:


MARIAN IVY F. REYES-FAJARDO
Associate Justice


(I concur in the result)
HENRY S. ANGELES
Associate Justice