

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

EN BANC

**COMMISSIONER OF INTERNAL
REVENUE,**

Petitioner,

C.T.A. EB No. 411
(C.T.A. Case No. 6207)

-versus-

Present:

Acosta, P.J.,
Castañeda, Jr.,
Bautista,
Uy,
Casanova, and
Palanca-Enriquez, JJ.

**PHILIPPINE BANK OF
COMMUNICATIONS,**

Respondent.

Promulgated:

MAY 21 2009

G. Apolinario
1:35 p.m.

X-----X

DECISION

CASTAÑEDA, JR., J.:

This is a Petition for Review filed before the Court of Tax Appeals *en banc* assailing the Decision dated May 6, 2008 and the Resolution dated July 11, 2008 issued by the First Division of this Court in the case entitled, "*Philippine Bank of Communications. vs. Commissioner of Internal Revenue*", docketed as CTA Case No. 6207.

The assailed Decision GRANTED the petition praying that judgment be rendered holding Philippine Bank of Communications (herein *for*

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respondent) not liable for any deficiency documentary stamp taxes for the years 1994 and 1995 and ordering Commissioner of Internal Revenue (herein petitioner) to desist from collecting the said tax against the respondent.

THE FACTS

The facts of the case as found by the Court in First Division are as follows:

Petitioner is a banking corporation organized and existing under the laws of the Republic of the Philippines, with principal office address at PBCom Building, Juan Luna Street, Binondo, Manila.

On January 12, 2000, petitioner received a Pre-Assessment Notice dated December 17, 1999 from respondent. In the Details of Discrepancy, petitioner was informed that its Interbank Call Loans Receivable, Special Savings, and Assets Held in Trust were all subject to documentary stamp taxes.

On January 25, 2000, petitioner wrote respondent requesting for a reconsideration and withdrawal of the BIR findings.

On January 31, 2000, respondent sent petitioner five (5) Assessment Notices numbered as ST-DST1-94-0036-2000, ST-DST2-94-0037-2000, ST-DST3-95-0038-2000, ST-DST4-95-0039-2000, ST-DST5-95-0040-2000 for deficiency documentary stamp taxes in the sum of P 191,636,268.07.

On March 27, 2000, respondent, through then Assistant Commissioner of the BIR-Enforcement Service, sent petitioner a Formal Letter of Demand dated January 31, 2000, requesting for the payment of deficiency documentary stamp taxes in the sum of P191,636,268.06 due from its Premium Savings Account, Interbank Call Loans Receivables and Trust covering the years 1994 and 1995. The deficiency documentary stamp taxes were computed as follows:

For the Year 1994

A. Documentary Stamp Tax – TRUST

Taxable Base	6,909,420,200.00
Basic Deficiency Tax (Sec. 180)	10,364,130.30
Penalties:	
25% Surcharge (Sec. 180)	2,597,032.58
Interest – 1/10/95 to 3/30/2000 (Sec. 249)	10,824,297.69
Compromise Penalty (RMO 1-90)	25,000.00

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Total Amount Due & Collectible	<u>23,810,460.56*</u>
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B. *Documentary Stamp Tax – PREMIUM SAVINGS ACCOUNT*

Taxable Base	16,353,219,717.70
Basic Deficiency Tax (Sec. 180)	<u>24,529,829.58</u>
Penalties:	
25% Surcharge (Sec. 248)	6,132,457.39
Interest – 1/10/95 to 3/30/2000 (Sec. 249)	25,618,954.01
Compromise Penalty (RMO 1-90)	<u>25,000.00</u>
Total Amount Due & Collectible	<u>56,306,240.98*</u>

* It should be P23,810,460.57.

For the Year 1995

A. *Documentary Stamp Tax – TRUST*

Taxable Base	9,769,851,173.33
Basic Deficiency Tax (Sec. 180)	<u>14,654,776.76</u>
Penalties:	
25% Surcharge (Sec. 180)	3,663,694.19
Interest – 1/10/96 to 3/30/2000 (Sec. 249)	12,374,493.50
Compromise Penalty (RMO 1-90)	<u>25,000.00</u>
Total Amount Due & Collectible	<u>30,717,964.45*</u>

B. *Documentary Stamp Tax – PREMIUM SAVINGS ACCOUNT*

Taxable Base	23,245,883,011.80
Basic Deficiency Tax (Sec. 180)	<u>34,868,824.52</u>
Penalties:	
25% Surcharge (Sec. 248)	8,717,206.13
Interest – 1/10/96 to 3/30/2000 (Sec. 249)	29,443,235.42
Compromise Penalty (RMO 1-90)	<u>25,000.00</u>
Total Amount Due & Collectible	<u>73,054,266.07*</u>

C. *Documentary Stamp Tax – INTERBANK CALL LOANS RECEIVABLE*

Taxable Base	2,460,000,000.00
Basic Deficiency Tax (Sec. 180)	<u>3,960,000.00</u>
Penalties:	
25% Surcharge (Sec. 180)	922,500.00 <i>gc</i>

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Interest – 1/10/96 to 3/30/2000 (Sec. 249)	3,115,836.00
Compromise Penalty (RMO 1-90)	25,000.00
Total Amount Due & Collectible	<u>7,753,336.00*</u>

On May 5, 2000, petitioner filed its protest against the assessments and requested for a "reconsideration and/or reinvestigation.

As the 180-day period expired without respondent acting on the protest, petitioner filed its Petition for Review on November 29, 2000.

On January 2, 2001, respondent filed her answer thereto. After the issues were joined, the parties presented their respective testimonial and documentary evidence.

On July 10, 2007, petitioner filed its Manifestation alleging that the present Petition became moot insofar as the assessments on deficiency documentary stamp taxes due on its Premium Savings Account for the years 1994 and 1995 as it availed of the benefits granted in Revenue Regulations No. 15-06 and paid the deficiency taxes. Petitioner attached a photocopy of the Termination Letter issued by then Commissioner Jose Mario C. Buñag.

On August 21, 2007, in compliance with this Court's Order given during the August 10, 2007 hearing, petitioner filed its Amended Petition for Review.

On November 13, 2007, this Court issued a Resolution considering this case as deemed submitted for decision after petitioner filed its Memorandum on March 29, 2007; and after respondent failed to file an Amended Answer or a Memorandum within the prescribed period.

Acting on the Petition, the First Division of this Court (the Court in Division) issued a Decision on May 6, 2008 which is now the subject of appeal. The said Decision granted the petition, the dispositive portion of which reads:

IN VIEW OF THE FOREGOING, the amended Petition for Review is hereby **GRANTED**. The Formal Letter of Demand dated January 31, 2000, with attached Details of Discrepancies and Final Assessment Notices for 1994 and 1995, is **SET ASIDE** and **CANCELLED**.

SO ORDERED. *gr*

On May 26, 2008, herein petitioner filed a Motion for Reconsideration of the abovementioned Decision. The Court in Division denied the motion for lack of merit in a Resolution dated July 11, 2008.

Hence, this Petition for Review *en banc*.

THE ISSUES

The issues in this case are as follows:

- (1) Whether or not the Interbank Call Loans Receivables are subject to documentary stamp tax.**
- (2) Whether or not the assets held in trust by the Philippine Bank of Communications pursuant to its trust business are subject to documentary stamp tax.**

PETITIONER'S ARGUMENTS

Petitioner argues that the Interbank Call Loans (IBCLs) receivables are subject to documentary stamp tax (DST) because it is a deposit substitute under a harmonized construction of the National Internal Revenue Code (NIRC) of 1977. According to petitioner, while it is true that there is no express mention of IBCLs receivables as subject to DST under Section 180 of the NIRC of 1977, it cannot be gainsaid that it should dispel the idea that it is subject to DST. From the provisions of the law, it may be inferred that a deposit substitute is similar to a certificate of deposit bearing interest, and thus IBCLs receivables are subject to DST by implication.

With respect to the second issue, petitioner maintains that respondent is liable for deficiency DST on its trust operations under Section 180 of the NIRC of 1977. While DST is levied on the document itself, it is not intended to be a tax on the document alone. Rather, the *gc*

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DST is levied on the exercise by persons of certain privileges conferred by law for the creation, revision or termination of specific legal relationship through the execution of specific instruments. It is a privilege tax because it is really imposed on the privilege to enter into a transaction rather than document. Thus, respondent is being taxed for the privilege to enter into a trust agreement.

RESPONDENT'S COMMENT

Respondent reiterates its stand that its IBCLs receivables are not subject to DST under Section 180 of the NIRC of 1977. It stresses that in the imposition, assessment and collection of taxes, the Commissioner of Internal Revenue cannot rely on inference and implications, lest the well-entrenched principle in our jurisprudence that taxes are not to be imposed or presumed to be imposed beyond what statutes expressly and clearly declare to be so. Furthermore, respondent reasons that these IBCLs receivables are intended solely to cover deficiency in reserves against deposit liabilities, hence cannot be considered deposit substitutes as defined in Section 20 (y) of the NIRC of 1977.

On the second issue, respondent accedes with the petitioner that DST is not intended to be a tax on the document alone. It is levied also on the exercise by persons of certain privileges conferred by law for the creation, revision or termination of specific legal relationships through the execution of specific instruments. However, not all privileges to enter into a transaction are subject to tax. There must be a law that specifically imposes a tax thereon. Moreover, respondent explains that when a depositor enters into a trust agreement, what is created is a trustor-trustee relationship. The money deposited is placed in trust to a common 

fund and then invested by the Trust Department into profitable ventures. For these reasons, trust agreement cannot be likened to a bank deposit.

COURT'S RULING

In the present case, the years being assessed pertain to taxable years 1994 and 1995. There is no dispute that the applicable law is the NIRC of 1977.

First Issue

On the first issue of whether or not the respondent's IBCLs receivables for taxable year 1995 are subject to DST, the Commissioner of Internal Revenue (CIR) anchored its assessment on Section 180 of the NIRC of 1977, as amended by Presidential Decree No. 1994, which at that time provides:

SEC. 180. Stamp tax on loan agreements, promissory notes, bills of exchange, drafts, instruments and securities issued by the government or any of its instrumentalities, certificates of deposit bearing interest and others not payable on sight or demand. – On all loan agreements signed

abroad wherein the object of the contract is located or used in the Philippines; bills of exchange (between points within the Philippines), drafts, instruments and securities issued by the Government or any of its instrumentalities, or certificates of deposit drawing interest, or orders for the payment of any sum of money otherwise than at sight or on demand, or on all promissory notes, whether negotiable or non-negotiable, except bank notes issued for circulation, and on each renewal of any such note, there shall be collected a documentary stamp tax of thirty centavos (P0.30) on each two hundred pesos, or fractional part thereof, of the face value of any such agreement, bill or exchange, draft certificate of deposit, or note: *Provided*, That only one documentary stamp tax shall be imposed on either loan agreement, or promissory notes issued to secure such loan whichever will yield a higher tax: *Provided, however*, That loan agreements or promissory notes the aggregate of which does not exceed two hundred fifty thousand



pesos (P250,000) executed by an individual for his purchase on installment for his personal use or that of his family and not for business, resale, barter or hire of a house lot, motor vehicle, appliance or furniture shall be exempt from the payment of the documentary stamp tax provided under this Section.

Based on the above provision, the term "interbank call loan" is not among those enumerated as subject to documentary stamp tax.

However, the CIR argues that although "interbank call loans" are not among those that are expressly enumerated above as subject to DST, these "interbank call loans" are considered "deposit substitutes" as defined in Section 20 (y) of the NIRC of 1977 which in turn is similar to a certificate of deposit bearing interest, thus, by inference the IBCLs receivables are subject to DST.

The then Section 20 (y) of the NIRC of 1977 provides:

Section 20. Definitions. — *When used in this Title -*

xxx

xxx

xxx

y) "Deposit substitutes" shall mean an alternative form of obtaining funds from the public, other than deposits, through the issuance, endorsement, or acceptance of debt instruments for the borrower's own account, for the purpose of relending or purchasing of receivables and other obligations, or financing their own needs or the needs of their agent or dealer. These instruments may include but need not be limited to promissory notes, repurchase agreements, certificates of assignment or participation and similar instruments with recourse as may be authorized by the Central Bank of the Philippines, for banks and non-bank financial intermediaries or by the Securities and Exchange Commission of the Philippines for commercial, industrial, finance companies and other non-financial companies: *Provided, however,* That only debt instruments issued for interbank call loans to cover deficiency in reserves against deposit liabilities including those between or among banks and quasi-banks shall not be considered as deposit substitute debt instruments.

The law clearly defined the term "deposit substitute" and even enumerated what may be included as deposit substitutes. It is in this *gr*

definition that the term "interbank call loan" was mentioned as part of the proviso which states that "*Provided, however, That only debt instruments issued for interbank call loans to cover deficiency in reserves against deposit liabilities including those between or among banks and quasi-banks shall not be considered as deposit substitute debt instruments*". While it is true that IBCLs may fall under the term "deposit substitutes", nonetheless, these deposit substitutes were not among those enumerated as taxable for documentary stamp tax under Section 180 of NIRC of 1977, hence, it is but logical to conclude that IBCLs receivables could not be subject to documentary stamp tax.

This Court also disagrees with the contention of the CIR that deposit substitute is similar to a certificate of deposit, hence, should be subject to DST.

The above cited law specifically defined a deposit substitute as *an alternative form of obtaining funds from the public, other than deposits, through the issuance, endorsement, or acceptance of debt instruments for the borrower's own account, for the purpose of relending or purchasing of receivables and other obligations, or financing their own needs or the needs of their agent or dealer.*

Meanwhile, the certificate of deposit has been defined by the Supreme Court *as a written acknowledgment by a bank or banker of the receipt of a sum of money on deposit* which the bank or banker promises to pay to the depositor, to the order of the depositor, or to some other person or his order, whereby the relation of debtor and creditor between the bank and the depositor is created.¹ *je*

¹ *Philippine Banking Corporation (Now: Global Business Bank, Inc.) vs. Commissioner of Internal Revenue*¹ G.R. No. 170574, January 30, 2009 citing the case of *Far East Bank and Trust Company v. Querimit* G.R. No. 148582, January 16, 2002, 373 SCRA 665.

In the case of *International Exchange Bank vs. Commissioner of Internal Revenue*,² the Supreme Court characterizes a certificate of deposit in this manner:

A document to be deemed a certificate of deposit requires no specific form as long as there is some written memorandum that the bank accepted a deposit of a sum of money from a depositor. What is important and controlling is the nature or meaning conveyed by the passbook and not the particular label or nomenclature attached to it, inasmuch as substance, not form, is paramount.

Contrary to petitioner's claim, not all certificates of deposit are negotiable. A certificate of deposit may or may not be negotiable as gathered from the use of the conjunction **or**, instead of **and**, in its definition. A certificate of deposit may be payable to the depositor, to the order of the depositor, **or** to some other person or his order.

Based on the above discussion, deposit substitutes and certificate of deposit have their own peculiarities, thus, cannot be treated as similar to each other.

Moreover, taxes cannot be imposed by mere implication. In the recent case of *Commissioner of Internal Revenue vs. Fortune Tobacco Corporation*,³ the Supreme Court reiterated the well-settled doctrine of strict interpretation in the imposition of taxes. The rule in the interpretation of tax laws is that a statute will not be construed as imposing a tax unless it does so clearly, expressly, and unambiguously. A tax cannot be imposed without clear and express words for that purpose. Accordingly, the general rule of requiring adherence to the letter in construing statutes applies with peculiar strictness to tax laws and the provisions of a taxing act are not to be extended by implication. In answering the question of who is subject to tax statutes, it is basic that in *gc*

² G.R. No. 171266, April 4, 2007, 520 SCRA 688.

³ G.R. Nos. 167274-75, July 21, 2008, 559 SCRA 160.

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case of doubt, such statutes are to be construed most strongly against the government and in favor of the subjects or citizens because burdens are not to be imposed nor presumed to be imposed beyond what statutes expressly and clearly import. As burdens, taxes should not be unduly exacted nor assumed beyond the plain meaning of the tax laws.

We also ruled in several cases that even if we are to consider IBCLs receivables as deposit substitutes, these are not subject to DST prior to the effectivity of the NIRC of 1997.⁴ The term "deposit substitutes" was only inserted in the NIRC of 1997 which took effect on January 1, 1998. The taxable years in question pertain to 1994 and 1995 or definitely prior to the effectivity of the NIRC of 1997. Since it is an elementary rule that a tax law can only have a retroactive application in cases where the rights of the taxpayers are not prejudiced, Section 180 of the 1997 NIRC cannot be made to apply in this instant case.

Meanwhile, We cannot sustain CIR's argument that respondent has the burden to prove that its IBCLs receivables fall under the exception enunciated in Section 20 (y) of the NIRC of 1977 which provides that "debt instruments issued for interbank call loans to cover deficiency in reserves against deposit liabilities including those between or among banks and quasi-banks shall not be considered as deposit substitute debt instruments", thus not subject to DST. According to CIR, respondent failed to prove that its IBCLs were entered into to cover deficiency in reserves. *jc*

⁴ *Metropolitan Bank and Trust Company vs. Commissioner of Internal Revenue*, C.T.A. EB No. 269, October 30, 2007, *ING Bank N.V. Manila Branch vs. Commissioner of Internal Revenue*, C.T.A. CASE NO. 6187. August 9, 2004 affirmed in the en banc case of *ING Bank N.V. Manila Branch vs. Commissioner of Internal Revenue*, C.T.A. EB No. 52, April 5, 2005, *Solidbank Corporation (now: First Metro Investment Corporation) vs. Commissioner of Internal Revenue*, C.T.A. CASE NO. 6557. May 5, 2005 affirmed in the en banc case of *Commissioner of Internal Revenue vs. Solidbank Corporation (now: First Metro Investment Corporation)*, C.T.A. EB No. 114, February 22, 2007 and *Banco De Oro Universal Bank vs. Commissioner of Internal Revenue*, C.T.A. CASE NO. 6401. September 19, 2005 affirmed in the en banc case of *Banco De Oro Universal Bank vs. Commissioner of Internal Revenue*, C.T.A. EB No. 165, August 16, 2006.

Petitioner Commissioner of Internal Revenue erred in applying the principles of tax exemption without first applying the well-settled doctrine of strict interpretation in the imposition of taxes. In the case of *Commissioner of Internal Revenue, vs. The Court of Appeals, The Court of Tax Appeals and Ateneo De Manila University*,⁵ the Supreme Court ruled that it is obviously both illogical and impractical to determine which are exempted without first determining which are covered by the law imposing tax. It further ruled that the CIR should have determined first if the taxpayer was covered by the tax law, applying the rule of strict interpretation of laws imposing taxes and other burdens on the populace, before asking the taxpayer to prove its exemption therefrom.

Taking our bearing from the foregoing doctrines there is no way Section 180 of NIRC of 1977 may be interpreted in favor of petitioner. It is clear, categorical, and needs no further interpretation or construction.

Second Issue

On the second issue of whether or not the assets held in trust by the respondent pursuant to its trust business are subject to DST, the CIR maintains that the respondent's trust operations should be subject to DST as the latter's trust agreements are similar to bank deposits which are subject to DST under Section 180 of the NIRC of 1977. It further contended that DST is a tax imposed on the privilege to enter into a transaction rather than on the document, hence, DST should be imposed on the respondent's privilege of entering into a trust agreement.

We are not persuaded.

This Court has already ruled in the case of *Commissioner of Internal Revenue vs. SolidBank Corporation (Now: First Metro Investment Inc.)*

⁵ G.R. No. 115349, April 18, 1997, 271 SCRA 605.

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Corporation)⁶ that a trust agreement is distinct from a bank deposit. In a trust agreement, what is created is a trustor-trustee relationship contrary to a certificate of deposit whereby what is created is the relation of debtor and creditor between the bank and the depositor. We quote hereunder the relevant portion of the said decision:

The Court En Banc has ruled that a trust agreement is not a bank deposit, hence, it is not subject to DST under the 1977 NIRC, as amended. Thus it was held:

The Manual for Regulations of Banks issued by the Central Bank of the Philippines has defined the trust business as ". . . any activity resulting from a trustor-trustee relationship (trusteeship) involving the appointment of a trustee by a trustor for the administration, holding, management of funds and/or properties of the trustor by the trustee for use, benefit or advantage of the trustor or others called beneficiaries (Sec. X403 [a])."

As correctly explained in the questioned Decision, "When a depositor enters into a trust agreement, what is created is a trustor-trustee relationship. The money deposited is placed in trust to a common fund and then invested by the Trust Department into a profitable venture.

Petitioner's contention that there is a complete transfer of ownership from the trustor to the trustee bank because the funds may be invested by the bank in whatever manner it may deem necessary and the trustor having no control whatsoever over his funds is contrary to petitioner's allegation in the Petition that "A contract of trust under the Civil Code is defined as the legal relationship between one person having an equitable ownership in property and another person owning legal title to such property, the equitable ownership of the former entitling him to the performance of duties and the exercise of certain powers by the latter." The petitioner, in effect, admits that the trustee bank holds legal title over the funds (i.e., has legal ownership of the funds), and is entitled to exercise certain powers such as the investment of the funds in behalf of the trustor (which is the essence of the trust business)." 

⁶ *Supra*, note 5 citing the case of *Commissioner of Internal Revenue vs. Traders Royal Bank*, C.T.A. EB No. 32, February 14, 2005.

Since a trust agreement is not a time deposit, it cannot be subject to DST as a certificate of deposit.

In addition, the Court agrees with the respondent that while it is true that DST is not intended to be a tax on the document alone and it is levied on the exercise by persons of certain privileges conferred by law for the creation, revision or termination of specific legal relationship through the execution of specific instruments, it is equally true that not all privileges to enter into a transaction are subject to tax. There must be a law that specifically imposes a tax thereon. Again, the general rule of requiring adherence to the letter in construing statutes applies with peculiar strictness to tax laws and the provisions of a taxing act are not to be extended by implication.⁷

Availment of the Tax Amnesty Program

Respondent manifested in its Comment and Memorandum that on March 6, 2008 it filed a Notice of Availment of Tax Amnesty under Republic Act (RA) No. 9480 otherwise known as the "Tax Amnesty Act of 2007". In its Compliance with the order contained in the Court's Resolution dated March 30, 2009, respondent submitted certified true copies of the following documents in relation to its availment of said tax amnesty, to wit:

- (1) Bureau of Internal Revenue (BIR) Tax Payment Deposit Slip;⁸
- (2) Notice of Availment of Tax Amnesty;⁹
- (3) Tax Amnesty Payment Form/Acceptance Payment Form (BIR Form No. 0617);¹⁰ 

⁷ *Supra*, note 6.

⁸ *Rollo*, p. 110.

⁹ *Rollo*, p. 111.

¹⁰ *Rollo*, p. 112.

- (4) Tax Amnesty Return (BIR Form No. 2116);¹¹
- (5) Previously filed Income Tax Return for 2005 with attached Statement of Assets, Liabilities and Net Worth (SALN)/ Balance Sheet as of December 31, 2005; and ¹²
- (6) Revised or restated SALN/Balance Sheet as of December 31, 2005. ¹³

Records show that respondent has faithfully complied with all the requirements set forth in RA. No 9480, its Implementing Rules and Regulations (DO 29-07) and RMC 19-2008. Furthermore, the contestability period of one (1) year provided under Section 4 of RA 9480 had already lapsed. Likewise, respondent and the subject tax, i.e. the DST, do not fall in any of the exceptions listed under Section 8 of RA No. 9480. ¹⁴

In the recent case of ***Philippine Banking Corporation (now Global Business Bank, Inc.) vs. Commissioner of Internal Revenue***, ¹⁵ the Supreme Court held that the completion of the requirements set forth in RA No. 9480 and its implementing rules shall be *gr*

¹¹ *Rollo*, p. 113.

¹² *Rollo*, pp. 115-226.

¹³ *Rollo*, p. 227.

¹⁴ SEC. 8. *Exceptions.* – The tax amnesty provided in Section 5 hereof shall not extend to the following persons or cases existing as of the effectivity of this Act:
(a) Withholding agents with respects to their withholding tax liabilities;
(b) Those with pending cases falling under the jurisdiction of the Presidential Commission on Good Government;
(c) Those with pending cases involving unexplained or unlawfully acquired wealth or under the Anti-Graft and Corrupt Practices Act;
(d) Those with pending cases filed in court involving violation of the Anti-Money Laundering Law;
(e) Those with pending criminal cases for tax evasion and other criminal offenses under Chapter II of Title X of the National Internal Revenue Code of 1997, as amended, and the felonies of frauds, illegal exactions and transactions, and malversation of public funds and property under Chapters III and IV of Title VII of the Revised Penal Code; and
(f) Tax cases subject of final and executory judgment by the courts.

¹⁵ *Supra*, note 1.

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deemed full compliance of the law. Accordingly, the taxpayer shall be entitled to the privileges and immunities under the said law. It ruled:

Considering that the completion of these requirements shall be deemed full compliance with the tax amnesty program, the law mandates that the taxpayer shall thereafter be immune from payment of taxes, and additions thereto, as well as the appurtenant civil, criminal or administrative penalties under the NIRC of 1997, as amended, arising from failure to pay any and all internal revenue taxes for taxable year 2005 and prior years.

WHEREFORE, the Petition for Review *en banc* is **DISMISSED** in light of the foregoing laws and jurisprudence and in view of the respondent's avilment of the Tax Amnesty under RA No. 9480.

SO ORDERED.

Juanito C. Castañeda, Jr.
JUANITO C. CASTAÑEDA, JR.
Associate Justice

WE CONCUR:

Ernesto D. Acosta
ERNESTO D. ACOSTA
Presiding Justice

Lovell R. Bautista
LOVELL R. BAUTISTA
Associate Justice

Erlinda P. Uy
ERLINDA P. UY
Associate Justice

Caesar A. Casanova
CAESAR A. CASANOVA
Associate Justice

Olga Palanca-Enriquez
OLGA PALANCA-ENRIQUEZ
Associate Justice

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CERTIFICATION

Pursuant to Section 13, Article VIII of the Constitution, it is hereby certified that the above Decision has been reached in consultation with the members of the Court *en banc* before the case was assigned to the writer of the opinion of the Court.


ERNESTO D. ACOSTA
Presiding Justice