

Republic of the Philippines
COURT OF TAX APPEALS
Quezon City

EN BANC

BANCO DE ORO UNIVERSAL BANK,
Petitioner

CTA-EB NO. 138
(C.T.A. Case No. 6588)

Present:

Acosta, H.H.,
Castañeda, Jr.,
Bautista,
Uy,
Cesarone, and
Palanca-Enriquez, JJ.

— versus —

COMMISSIONER OF INTERNAL
REVENUE,
Respondent.

Pronulgated:

APR 07 2006 *W. Palanca*

DECISION

UY, JA

Assailed in this Petition for Review filed before the Court of Tax Appeals En Banc under Section 11 of Republic Act No. 9282 are the Decision and Resolution promulgated on August 5, 2005 and October 17, 2005, respectively, of the First Division of the Court which affirmed the Commissioner of Internal Revenue's assessment in the amount of Thirteen Million Eight Hundred Eighty Four Thousand One Hundred Fifty Nine Pesos and 90/100 (P13,884,159.90) representing Documentary Stamp Tax deficiency

for fiscal year ending June 30, 1998 in CTA Case No. 6568 entitled, "Banco De Oro Universal Bank versus Commissioner of Internal Revenue".

Banco De Oro Universal Bank ("petitioner") is a universal bank duly organized and existing by virtue and under the laws of the Republic of the Philippines with its principal and place of business located at No. 12 ADB Avenue corner Julia Vargas Avenue, Ortigas Center, Mandaluyong City. It is authorized by the Bangko Sentral ng Pilipinas to engage in banking and trust business in the Philippines.

On October 30, 2000, Dao Heng Bank, Inc. (Dao Heng for short) and petitioner, entered into a statutory merger executing a Plan of Merger and Articles of Merger, whereby among others, Dao Heng merged into petitioner as the surviving entity, absorbing all the assets and liabilities of the former. Subsequently, on June 15, 2001, the Securities and Exchange Commission ("SEC") issued the definitive Certificate of Filing of Articles of Merger and Plan of Merger, which rendered the merger between Dao Heng and the petitioner effective.

On June 11, 2002, the Commissioner of Internal Revenue ("respondent") issued Assessment Notice No. DST2-98-000017 with corresponding letter of demand informing petitioner of its liability in the amount of P13,884,159.90 representing Documentary Stamp Tax ("DST") deficiencies accruing from special savings account product denominated as Investment Savings Account ("ISA") covering fiscal year ending June 30, 1998. Assailing the findings of the respondent, petitioner protested the said

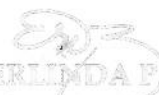
banks to compute the amount of interest of the deposit on a thirty (30), sixty (60), ninety (90) or three hundred sixty (360) day-maturity period. In the event of a withdrawal prior to the date of maturity, the holder of the account shall be entitled to the rate of interest lower than the agreed interest.

Indubitably, respondent correctly assessed petitioner of DFT deficiency in the amount of P15,884,169.90 arising from ISA deposits.

In the light of the foregoing discussions, the Court En Banc finds no reversible error committed by the First Division of this Court that would warrant a reversal of the assailed Decision and Resolution promulgated on August 2, 2005 and October 11, 2005, respectively.

WHEREFORE, premises considered, the Petition for Review is hereby DENIED DUE COURSE and accordingly DISMISSED for lack of merit.

SO ORDERED.


ERLINDA P. UY
Associate Justice

WE CONCUR:


ERNESTO D. ACOSTA
President of Justice


JUANITO C. CASTAÑEDA, JR.
Associate Justice

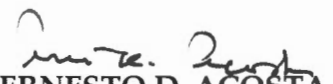
(On Official Business)
LOVELL R. BAUTISTA
Associate Justice

(With Concurring and Dissenting Opinion)
CAESAR A. CASANOVA
Associate Justice


OLGA PALANCA ENRIQUEZ
Associate Justice

CERTIFICATION

Pursuant to Section 13, Article VIII of the Constitution, it is hereby certified that the conclusions in the above decision were reached in consultation before the case was assigned to the writer of the opinion of the Court *En Banc*.


ERNESTO D. ACOSTA
Presiding Justice