

REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

THIRD DIVISION

CHEVRON HOLDINGS, INC.,
Petitioner,

C.T.A. CASE NO. 8436

Members:

-versus-

BAUTISTA, *Chairperson*;
FABON-VICTORINO, and
RINGPIS LIBAN, JJ.

COMMISSIONER OF
INTERNAL REVENUE,
Respondent.

Promulgated:

OCT 22 2014

X- - - - - CHEV 9:53 a.m. - - - - -X

DECISION

Fabon-Victorino, J.:

In the instant Petition for Review,¹ petitioner Chevron Holdings, Inc. prays for the refund or issuance of tax credit certificate in the amount of ₱62,066,592.88, allegedly representing excess and unutilized input value-added tax (VAT) on purchases of goods and services attributable to its zero-rated sales for calendar year (CY) 2010.

Petitioner Chevron Holdings Inc. is the Philippine branch of a duly organized multinational American company licensed by the Securities and Exchange Commission (SEC) as a regional operating headquarters (ROHQ) to transact business in the Philippines with SEC Registration No. A199802486 dated June 3, 1998. Its office is located at the 35th Floor, Yuchengco Tower, RCBC Plaza, 6819 Ayala Avenue, Makati City.² ✓

¹ Docket, vol. 1, pp. 6-12.

² Exhibit "A".

Petitioner is engage in general administration and planning; business planning and coordination; sourcing or procurement of raw materials and components; corporate finance advisory services; marketing control and sales promotion; training and personnel management; logistics services; research and development services and product development; technical support and maintenance; data processing and communication; and business development.³

It is a VAT-registered taxpayer with Tax Identification Number (TIN) 201-056-391-000, as evidenced by Certificate of Registration No. OCN 9RC0000170259 issued by the Bureau of Internal Revenue (BIR).⁴

Respondent, on the other hand, is the Commissioner of Internal Revenue (CIR) with authority to act upon claims for refund or tax credit pursuant to the provisions of the National Internal Revenue Code (NIRC) of 1997, as amended.

Petitioner filed with the Bureau of Internal Revenue (BIR) its Quarterly VAT Returns for the four quarters of CY 2010⁵ on the following dates:

PERIOD	DATE OF FILING ORIGINAL RETURN
1 st Quarter	April 29, 2010
2 nd Quarter	July 20, 2010
3 rd Quarter	October 20, 2010
4 th Quarter	February 14, 2011

On October 6, 2011, petitioner filed an administrative claim for refund or issuance of tax credit certificate with respondent in the amount of ₱77,878,491.52, representing its unutilized and excess input taxes for CY 2010.⁶

On October 25, 2011, petitioner filed a clarificatory letter with respondent stating that upon review of records, the proper amount for refund was only ₱62,066,592.88.⁷ ✓

³ Exhibit "A".

⁴ Exhibit "C".

⁵ Exhibits "D", "E", "F" and "G".

⁶ Exhibits "I" and "I-1".

⁷ Exhibit "J".

On March 2, 2012, petitioner filed the instant Petition for Review citing respondent's inaction on its claim for refund or tax credit.

On March 29, 2012, respondent filed her Answer⁸ stating among others, that petitioner's claim is subject to routinary examination. There is however no showing that it submitted complete documents to substantiate the same contrary to its allegation warranting its denial by inaction. For lack of substantiation, petitioner's claim for refund/tax credit is pro-forma, hence, should be deemed not filed. Without the pre-requisite administrative claim for refund, the Court cannot entertain the present petition for lack of jurisdiction. Finally, like tax exemptions, claims for refund are construed *strictissimi juris* against the claimant and liberally in favor of the taxing authority.⁹

After the pre-trial conference, the parties filed their Joint Stipulation of Facts and Issues¹⁰ dated May 11, 2012, which the Court approved on June 15, 2012.¹¹

To prove its case, petitioner presented witnesses Ma. Teresa De Leon, Chito Padie and Atty. Maria Myla Maralit.

Witness **Ma. Teresa S. De Leon**, petitioner's Finance Coordinator since October 2010, identified her Judicial Affidavit¹² dated August 13, 2012, declaring that petitioner is licensed by SEC¹³ to do business in the Philippines as a regional operating headquarter (ROHQ) and a registered VAT taxpayer with Tax Identification No. 201-056-391-000.¹⁴

She testified that petitioner incurred input VAT credits on its purchase of goods and services in connection with the services it rendered in the Philippines as a shared services center to clients, all of which are its affiliates doing business

⁸ Docket, vol. 1, pp. 31-39.

⁹ *Commissioner of Internal Revenue vs. Procter and Gamble Philippines Manufacturing Corporation*, 204 SCRA 377

¹⁰ Docket, vol. 1, pp. 66-70.

¹¹ Docket, vol. 1, p. 72-73.

¹² Exhibit "FF" and "FF-1".

¹³ Exhibits "A" and "B".

¹⁴ Exhibit "C".

outside the Philippines. Petitioner's purchases of goods and services include, among others, office supplies, janitorial and guard services, consultancies, rentals on its office space, furniture and fixtures, as evidenced by VAT invoices and VAT official receipts.

She further testified that petitioner has excess and unutilized input VAT for the four quarters of CY 2010 in the amount of P62,066,592.88, which it carried over to the succeeding quarters¹⁵ until the same was deducted as "VAT Refund/TCC Claimed" from the total input VAT in the Quarterly VAT Return for the 4th Quarter of CY 2011.¹⁶ In view thereof, petitioner, on October 6, 2011, filed with the BIR Large Taxpayer's Excise Audit Division 2 an administrative claim for refund of its unutilized input VAT for the four quarters of CY 2010,¹⁷ which was followed by a clarificatory letter filed on October 25, 2011.¹⁸ However, respondent failed to act on the said claim for refund/tax credit.

As petitioner's Finance Coordinator, she reviewed the ICPA's report and all the documents supporting the present claim for refund¹⁹ such as schedules of official receipts, invoices and other accounting records.²⁰

She added that petitioner had a temporary holding account in its General Ledger called the "Capex-Clearing" (Account No. 89981000) wherein each transaction upon receipt of an invoice was recorded. After the system migration in September 2008, the said account was mapped to "Settlement to WIP" Account (Account No. 81901300).²¹ Under this account, balances are transferred to either an Asset Under Construction (AUC) Account²² or to a Fixed Asset Account,²³ depending on the nature of the Capital Expenditure at month-end or before the books are closed.

¹⁵ Exhibits "H" to "H-3".

¹⁶ Line 23D of Exhibit "H-3".

¹⁷ Exhibits "I" and "I-1".

¹⁸ Exhibits "J" and "J-1".

¹⁹ Exhibits "SS" and "SS-1".

²⁰ Exhibits "SSSSS", "TTTTT", "UUUUU", "VVVVV", "WWWWW", "XXXXX", "YYYYY", "ZZZZZ", "AAAAA" and "CCCCC".

²¹ Exhibit "MM".

²² Exhibit "NN".

²³ Exhibit "OO".



On petitioner's purchases of capital goods reported in its quarterly VAT Returns for 1st to 4th quarters of 2010 in the total amount of P140,036,597.75,²⁴ the witness clarified that the amount pertaining to these purchases subject to VAT were initially recorded in the Capex Clearing Account then in the Settlement to WIP Account after the system migration, while the VAT on capital purchases are recorded under General Ledger Account No. 17100100 and described as "VAT on Capital Purchases"²⁵.

The second witness **Chito R. Padie**, also executed a Judicial Affidavit dated September 13, 2012,²⁶ in which he stated that as petitioner's Interim Optimization Manager, he is familiar with the present claim for refund/tax credit. The subject input VAT was incurred by petitioner in the course of rendering services in the Philippines, as a shared services center, to clients engaged in business conducted outside the country.

He explained that petitioner acts as a shared services center and as such, offers finance, human resources, information technology and procurement services to its affiliates located and conducting business outside the Philippines, such as in Africa, Europe, the Asia Pacific and America, as evidenced by relevant incorporation papers,²⁷ the Service Agreements,²⁸ Chevron Group of Companies' Inline Reports,²⁹ as well as in the Certifications of Non-Registration of Corporation/Partnership executed by Mr. Benito A. Cataran of the SEC.³⁰ Petitioner also provides *ad hoc* services to its foreign affiliates that are not covered by Service Agreements. In turn, petitioner charges all its affiliates the total cost of services plus an agreed markup cost for both regular and *ad hoc* services which are paid in U.S. dollars and accounted for in accordance with the rules and regulations of the *Bangko Sentral ng Pilipinas*.

On cross-examination, witness Padie clarified that although he became the Interim Optimization Manager only

²⁴ Exhibits "D" to "G "

²⁵ Exhibit "PP".

²⁶ Exhibits "GG" and "GG-1".

²⁷ Exhibits "N" to "N-14", "N-16" to "N-27".

²⁸ Exhibits "L" to "L-12".

²⁹ Exhibits "O" to "AA".

³⁰ Exhibits "K" to "K-48".

on May 2012, he began his employment with petitioner as early as 2000 and was part of the Optimization Group as a Team Leader before his promotion in 2012. His predecessor explained to him petitioner's present action including all the relevant files, which he himself reviewed.

Further, he opined that petitioner is entitled to its claim for refund/tax credit since as a ROHQ that services affiliates doing business outside the Philippines, petitioner incurred input VAT for all its purchases while its revenue came from zero-rated sales.

He proceeded to say that his department is a sub-group of Finance under Finance and Accounting and as an Interim Optimization Manager, he reports directly to the General Manager. He is in-charge of managing petitioner's corporate compliance and oversees the budgeting process as well as the performance reporting of petitioner.

In her Judicial Affidavit dated November 28, 2012,³¹ Independent Certified Public Accountant (ICPA), **Atty. Maria Myla S. Maralit**, declared that she prepared a report on her findings and conclusions after audit relative to petitioner's claim for refund/tax credit on November 22, 2012³² and a Supplemental Report on November 26, 2012.³³

Per her analysis, petitioner has sufficient excess input VAT from periods prior to CY 2010 to cover its output VAT liabilities arising from the 1st quarter of CY 2010 until the 4th quarter of CY 2010 without need to utilize the input VAT in the amount of P62,066,592.88, which is the subject of the present claim. Thus, the input VAT of P62,066,592.88 was not applied against petitioner's output VAT liabilities. Moreover, the amount of P62,066,592.88 was deducted from the amount of total available input VAT in petitioner's 4th quarter VAT Return for CY 2011, as indicated in Line 23D.³⁴

However, based on her Supplemental Report dated

³¹ Exhibits "HH" and "HH-1".

³² Exhibits "II" and "II-1".

³³ Exhibits "JJ" and "JJ-1".

³⁴ Exhibit "H-3".

November 26, 2012, petitioner is entitled to a total of net allowable claim for refund/tax credit attributable to zero-rated sales for the four quarters of CY 2010 in the amount of P55,994,019.48.³⁵

She further testified that her Supplemental Report covers petitioner's purchases of capital goods on November 26, 2012 supported by the additional documents provided by petitioner later.

After petitioner rested, respondent filed a Manifestation on October 9, 2013, stating that she would no longer present evidence as no report of investigation in the administrative level had been submitted.³⁶

STATEMENT OF ISSUES

The parties submitted the following issues³⁷ for the resolution of the Court:

- "1. Whether or not petitioner incurred input VAT on its purchases of goods and services attributable to zero-rated sales for CY 2010.
 2. Whether or not the alleged input VAT incurred by petitioner for CY 2010 is duly supported by VAT invoices and official receipts.
 3. Whether or not the alleged input VAT incurred by petitioner for CY 2010 amounting to Php62,066,592.88 was applied against any output VAT or carried over to succeeding taxable periods.
 4. Whether or not petitioner's administrative and judicial claims for refund or issuance of TCC for its excess and unutilized input VAT on purchases of goods and services attributable to its zero-rated sales were filed within the period prescribed under Sections 110, 112 and 229, Tax Code.
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³⁵ Exhibit "JJ".

³⁶ Docket, vol. 5, pp. 3542-3543.

³⁷ Stipulated Issues, Joint Stipulation of Facts and Issues, docket, vol. 1, p. 68.

5. Whether or not the Court has jurisdiction to act on the instant Petition for Review."

RULING OF THE COURT

Section 112 of the NIRC of 1997, as amended, relevantly provides, thus:

"SEC. 112. Refunds or Tax Credits of Input Tax. —

(A) *Zero-rated or Effectively Zero-rated Sales.* — Any VAT-registered person, whose sales are zero-rated or effectively zero-rated may, within two (2) years after the close of the taxable quarter when the sales were made, apply for the issuance of a tax credit certificate or refund of creditable input tax due or paid attributable to such sales, except transitional input tax, to the extent that such input tax has not been applied against output tax. *Provided, however,* That in the case of zero-rated sales under Section 106(A)(2)(a)(1), (2) and (b) and Section 108(B)(1) and (2), the acceptable foreign currency exchange proceeds thereof had been duly accounted for in accordance with the rules and regulations of the *Bangko Sentral ng Pilipinas* (BSP): *Provided, further,* That where the taxpayer is engaged in zero-rated or effectively zero-rated sale and also in taxable or exempt sale of goods or properties or services, and the amount of creditable input tax due or paid cannot be directly and entirely attributed to any one of the transactions, it shall be allocated proportionately on the basis of the volume of sales: *Provided, finally,* That for a person making sales that are zero-rated under Section 108(B)(6), the input taxes shall be allocated ratably between his zero-rated and non-zero-rated sales.

Thus, to be entitled to a refund/tax credit of input VAT due or paid attributable to zero-rated or effectively zero-

rated sales, the taxpayer must satisfy the following requisites, to wit:

1. there must be zero-rated or effectively zero-rated sales;
2. that input taxes were incurred or paid;
3. that such input taxes were attributable to zero-rated or effectively zero-rated sales;
4. that the input taxes were not applied against any output VAT liability; and
5. that the claim for refund was filed within the two-year prescriptive period.

Paramount for purposes of jurisdiction, is the need to determine whether the instant Petition for Review was seasonably filed.

Based on the cited provision of Section 112 expounded in the case of *Commissioner of Internal Revenue vs. Aichi Forging Company of Asia, Inc. (Aichi)*,³⁸ a VAT-registered person, such as petitioner, may within two (2) years from the close of the taxable quarter when the relevant sales were made, apply with respondent a claim for refund/tax credit of creditable input tax attributable to such sales.

The present claim covers the four taxable quarters of 2010 which closed on March 31, 2010; June 30, 2010; September 30, 2010 and December 31, 2010. Counting two years from the said dates, petitioner had until March 31, 2012; June 30, 2012; September 30, 2012 and December 31, 2012, respectively, within which to file its administrative claim for refund or issuance of tax credit certificate. Clearly, petitioner's administrative claims for refund were seasonably filed on October 6, 2011, as shown below:



³⁸ G.R. No. 184823, October 06, 2010.

Taxable quarter of 2010	Close taxable quarter 2010	Expiration date of 2-year period to file administrative claim	Actual date of filing of refund claim
1 st quarter	March 31, 2010	March 31, 2012	October 6, 2011
2 nd quarter	June 30, 2010	June 30, 2012	
3 rd quarter	September 30, 2010	September 30, 2012	
4 th quarter	December 31, 2010	December 31, 2012	

Section 112 (C) further provides that respondent has one hundred twenty (120) days to act on the claim. In case of adverse decision or expiration of the period granted, the taxpayer has thirty (30) days from notice of the adverse decision or expiration of the one hundred twenty-day (120) period to appeal the decision or the inaction of respondent to the Court of Tax Appeals, thus:

**“SEC. 112.Refunds or Tax Credits of
Input Tax. —**

xxx

xxx

xxx

(C) *Period within which Refund or Tax Credit of Input Taxes shall be Made.* — In proper cases, the Commissioner shall grant a refund or issue the tax credit certificate for creditable input taxes within one hundred twenty (120) days from the date of submission of complete documents in support of the application filed in accordance with Subsection (A) hereof.

In case of full or partial denial of the claim for tax refund or tax credit, or the failure on the part of the Commissioner to act on the application within the period prescribed above, the taxpayer affected may, within thirty (30) days from the receipt of the decision denying the claim or after the expiration of the one hundred twenty day-period, appeal the decision or the unacted claim with the Court of Tax Appeals.”

Applying the foregoing provision in the present case, respondent had 120 days from the date of petitioner's submission of complete documents on October 6, 2011 or until February 3, 2012, within which to grant or deny petitioner's claim for refund/tax credit. Since the 120-day period lapsed without any action on the part of respondent, petitioner had 30 days or until March 5, 2012 to seek judicial intervention. Evidently, the instant Petition for Review was timely filed on March 2, 2012, over which the Court acquired jurisdiction.

Respondent, however, argues that there is no showing that petitioner submitted complete documents to substantiate its administrative claim for refund. That being the case, its application for refund/tax credit is pro-forma, and should be deemed not filed. Consequently, the Court cannot acquire jurisdiction over the petition since no valid application for refund/tax credit was filed before her office.

Evidence, however, shows the contrary particularly petitioner's supplemental letter explaining the unintentional overstatement in its administrative claim for refund,³⁹ in this wise:

"The following supporting documents for the instant tax refund claim as prescribed by Revenue Memorandum Order 73-98 are already submitted last October 6, 2011:

1. Application for Tax Credit/Refund (BIR Form No. 1914)
 2. SEC Certificate of Registration as amended
 3. Chevron's Articles of Incorporation
 4. BIR Certificate of Registration (BIR Form No. 2303)
 5. Annual Income Tax Return for taxable year 2009 (BIR Form No. 1702)
 6. Quarterly VAT returns for taxable year 2010 (BIR Form No. 2550Q)
 7. Monthly VAT returns for taxable year 2010 (BIR Form No. 2550M)
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³⁹ Exhibits "I-1" and "J".

8. Audited Financial Statements for year ended December 31, 2010
9. Certificate of Inward Remittance from JP Morgan Chase Bank N.A.
10. Summary List of Purchases
11. Certification showing amount of zero-rated sales, taxable sales and exempt sales.

As held in the consolidated cases of *Team Sual Corporation (formerly: Mirant Sual Corporation) vs. Commissioner of Internal Revenue*, and *Commissioner of Internal Revenue vs. Team Sual Corporation (formerly Mirant Sual Corporation)*,⁴⁰ **the completeness of documents to support a claim is determined by the taxpayer** and not by the BIR whose duty under Section 112(C) of the NIRC of 1997 is to act on the claim within the allowable period of 120-day period from the date of submission of complete documents.

Moreover, there is nothing in the record that shows that respondent required or even notified petitioner of the need to submit additional documents for purposes of the administrative claim for refund/tax credit and that the latter failed to comply. Hence, the 120-day period started and continued to run from October 6, 2011, when petitioner filed its application for refund/tax credit with respondent in consonance with Revenue Memorandum Circular No. 029-09 which reads as follows:

"III. Period within which Refund or Tax Credit of Input Taxes shall be Made

Section 112 (C) of the Tax Code of 1997, as amended by Republic Act No. 9337, provides among others, that in proper cases, **the Commissioner shall grant a refund or issue the tax credit certificate (TCC) for creditable input taxes within one hundred twenty (120) days from the date of submission of complete documents.** For the purpose of defining 'proper cases' in the said provision, the taxpayer/claimant ✓

⁴⁰ CTA EB Nos. 649 and 651, Resolution dated March 21, 2012.

must have complied with the following conditions/requirements upon audit/verification of his/its claim:

- a. **Submission of complete documents** necessary to determine and/or ascertain the correctness of the return and the amount to be refunded/credited;

XXX

XXX

XXX

In cases where taxpayer failed to comply with the above conditions/requirements, i.e., failure to present accounting books and records for audit/verification, additional documents to explain discrepancies/findings are not submitted, taxpayer refuses or incurs delay in the submission of the Agreement Form, the running of the 120-day period shall stop from the date of notification to the taxpayer. Likewise, the running of the 120-day period shall be suspended in case a question of law arises during the conduct of audit/verification and/or review of the claim for tax refund/credit, and the issue is referred to the Legal Division or the Legal Service, as the case may be, for resolution and issuance of legal opinion, which should be rendered within thirty (30) working days from receipt of the request. *(Emphasis supplied)*

More importantly, non-submission of complete documents at the administrative level is not fatal to a claim for refund in the judicial level. As held in *Commissioner of Internal Revenue vs. Toledo Power Company*⁴¹, viz:

"In a VAT refund case such as the present case, **the alleged non-submission of complete documents at the administrative level is not fatal to a claim for refund in the judicial level** as held in several CTA *En Banc* cases one of which

⁴¹ CTA EB No. 589, Resolution dated January 12, 2011.

is *Commissioner of Internal Revenue vs. CE Luzon Geothermal Power Company, Inc.* It will not bar the CTA from receiving, evaluating, and appreciating evidence submitted before it. **Once the claim for refund has been elevated to the CTA, the admissibility, materiality, relevancy, probative value and weight of evidence presented therein become subject to the Rules of Court. The question of whether or not the evidence submitted by a party is sufficient to warrant the granting of a claim for refund lies within the sound discretion and judgment of the Court."** (*Emphasis supplied*)

On the other requisites, petitioner maintains that the services it renders to its affiliates located and doing business outside the Philippines are subject to zero percent (0%) VAT pursuant to Section 108(B)(2) of the NIRC of 1997, as amended, which provides as follows:

"SEC. 108. Value-added Tax on Sale of Services and Use or Lease of Properties. –

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(B) *Transactions Subject to Zero Percent (0%) Rate.* – The following services performed in the Philippines by VAT-registered persons shall be subject to zero percent (0%) rate:

(1) Processing, manufacturing or repacking goods for other persons doing business outside the Philippines which goods are subsequently exported, where the services are paid for in acceptable foreign currency and accounted for in accordance with the rules and regulations of the *Bangko Sentral ng Pilipinas (BSP).*"

(2) Services other than those mentioned in the preceding paragraph rendered to a person engaged in business conducted outside the



Philippines or to a nonresident person not engaged in business who is outside the Philippines when the services are performed, the consideration for which is paid for in acceptable foreign currency and accounted for in accordance with the rules and regulations of the *Bangko Sentral ng Pilipinas* (BSP).

In the case of *Commissioner of Internal Revenue vs. Burmeister and Wain Scandinavian Contractor Mindanao, Inc.*,⁴² the Supreme Court declared that for the supply of services to be VAT zero-rated under Section 108(B)(2) of the NIRC of 1997, as amended, the following requisites must concur:

1. the services must be other than processing, manufacturing or repacking of goods;
2. the payment for such services must be in acceptable foreign currency accounted for in accordance with the BSP rules and regulations; and
3. the recipient of such services must be doing business outside the Philippines.

Undisputedly, petitioner is a VAT-registered taxpayer with Tax Identification Number 201-056-391-000. It is licensed to do business as a ROHQ in the Philippines by the SEC pursuant to the Omnibus Investments Code of 1987, as amended by Republic Act No. 8756 and its implementing rules and regulations, particularly, to engage in general administration and planning; business planning and coordination; sourcing/procurement of raw materials and components; corporate finance advisory services; marketing control and sales promotion; training and personnel management; logistics services; research and development services and product development; technical support and maintenance; data processing and communication; and business development. To be sure, the services enumerated



⁴² G.R. No. 153205, January 22, 2007.

do not fall in the category of "processing, manufacturing or repacking of goods".

Anent the second requisite, Section 113 (A)(2), (B)(1), (2)(c) and (3) of the NIRC of 1997, as amended, and as implemented by Section 4.113-1 (A)(2), B(1) and (2)(c) of Revenue Regulations (RR) No. 16-05, provide that a VAT taxpayer, like petitioner, shall for every lease of goods or properties and for every sale, barter or exchange of services, issue a VAT official receipt with the following information as herein provided:

"SEC. 113. Invoicing and Accounting Requirements for VAT-registered Persons. —

(A) Invoicing Requirements. — A VAT-registered person shall issue:

xxx

xxx

xxx

(2) A VAT official receipt for every lease of goods or properties, and for every sale, barter or exchange of services.

(B) Information Contained in the VAT Invoice or VAT Official Receipt. — The following information shall be indicated in the VAT invoice or VAT official receipt:

(1) A statement that the seller is a VAT-registered person, followed by his Taxpayer's Identification Number (TIN);

(2) The total amount which the purchaser pays or is obligated to pay to the seller with the indication that such amount includes the value-added tax: Provided, That:

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xxx

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(c) If the sale is subject to zero percent (0%) value-added tax, the term 'zero-rated sale' shall be written or printed prominently on the invoice or receipt;

XXX

XXX

XXX

(3) The date of transaction, quantity, unit cost and description of the goods or properties or nature of the service; and" (Emphases supplied)

"SEC. 4.113-1. **Invoicing Requirements.** —

(A) A VAT-registered person shall issue: —

XXX

XXX

XXX

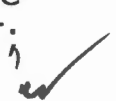
(2) A VAT official receipt for every lease of goods or properties, and for every sale, barter or exchange of services.

Only VAT-registered persons are required to print their TIN followed by the word 'VAT' in their invoice or official receipts. Said documents shall be considered as a 'VAT Invoice' or 'VAT official' receipt. All purchases covered by invoices/receipts other than VAT Invoice/VAT Official Receipt shall not give rise to any input tax.

VAT invoice/official receipt shall be prepared at least in duplicate, the original to be given to the buyer and the duplicate to be retained by the seller as part of his accounting records.

(B) Information contained in VAT invoice or VAT official receipt. — The following information shall be indicated in VAT invoice or VAT official receipt:

(1) A statement that the seller is a VAT-registered person, followed by his TIN;

(2) The total amount which the purchaser pays or is obligated to pay to the seller with the indication that such amount includes the VAT;
Provided, That: 

XXX

XXX

XXX

(c) If the sale is subject to zero percent (0%) VAT, the term 'zero-rated sale' shall be written or printed prominently on the invoice or receipt;" (Emphases supplied)

Pursuant to the foregoing provisions, the foreign currency remittances referred to under Section 108(B)(2) of the NIRC of 1997, as amended, must likewise be supported by VAT zero-rated official receipts.

Evidence shows that for services rendered for the four taxable quarters of CY 2010, petitioner received US dollar payments with the peso equivalent of ₱1,902,437,672.79, which were accounted for in accordance with the BSP rules and regulations, as evidenced by the bank certification of inward remittances⁴³ issued by JP Morgan Chase Bank N.A and duly supported by VAT zero-rated official receipts⁴⁴ issued by petitioner to its client-affiliates.

However, a comparison of the amounts of zero-rated receipts as reflected in the VAT zero-rated official receipts (ORs) and as declared in petitioner's Quarterly VAT Returns indicates a discrepancy of ₱81,781.68, as shown below:

Zero-rated Receipts per Quarterly VAT Returns ⁴⁵	₱1,902,437,672.79
Zero-rated Receipts per ORs	1,902,355,891.11
Difference	P 81,781.68

Since the amount of ₱81,781.68 is not covered by VAT zero-rated official receipts, the same shall be denied VAT zero-rating.

Moreover, the Court noted that petitioner's declared zero-rated receipts in the amount of ₱205,247.85 (\$4,439.57)⁴⁶ which though supported by VAT zero-rated

⁴³ Exhibits "III" to "III-4", "JJJ" to "JJJ-3", "KKK" to "KKK-4", and "LLL" to "LLL-4".
⁴⁴ Exhibits "EEE" to "EEE-46", "FFF" to "FFF-105", "GGG" to "GGG-50", and "HHH" to "HHH-93".
⁴⁵ Exhibits "D", "E", "F", and "G".
⁴⁶ Exhibit "BBB".

ORs do not have corresponding foreign currency inward remittances, to wit:

Name of Affiliate	OR No.	Payment Date	Sales	Sales
			(in USD)	(in Php)
Chevron (China) Investment Co. Ltd.	2751 (Exh. "III-1")	25-Jan-10	4,436.18	205,093.85
Chevron Texaco Malampaya LLC	2506 (Exh. "JJJ-16")	23-Apr-10	3.39	154.00
Total			4,439.57	205,247.85

To prove that its client-affiliates are non-resident foreign corporations doing business outside the Philippines, petitioner presented Certifications of Non-Registration of Corporation/Partnership issued by the Philippine Securities and Exchange Commission, Service Agreements, Memorandum/Articles of Association, Certificate of Incorporation/Registration, Articles of Merger, Certificate of Change of Name and Incorporation, Inline Report of the Corporate Profile, and printed screenshots of the United States SEC website for company filings of Chevron Corporation, enumerated as follows:

SEC Certificate of Non-Registration of Company	
Exhibit	Client
"K"	Chevron Products Company
"K-1"	Chevron Services Company
"K-2"	Cabinda Gulf Oil Company Limited
"K-3"	Chevron Corporation
"K-4"	Chevron Canada Limited-Downstream Branch
"K-5"	Chevron Australia Pty Ltd-Other
"K-6"	Chevron Munaigas Inc.-Home Office
"K-7"	Chevron Global Upstream and Gas
"K-8"	Chevron U.S.A. Inc.(Singapore Branch)
"K-9"	Chevron Information Technology Company
"K-10"	Chevron North Sea Limited
"K-11"	Chevron U.S. A. Inc.-Shipping Branch
"K-12"	CUSA-Global Lubricants Asia Pacific
"K-13"	Chevron Global Downstream
"K-14"	Chevron Marine Products LLC-Int'l
"K-15"	Chevron Global Technology Services Co.-Global Gas Branch
"K-16"	CGE1-Global Downstream Cost Allocation
"K-17"	Chevron Asia Pacific Holdings Branch
"K-18"	Chevron Labuan Limited
"K-19"	Chevron Global Energy Inc.
"K-20"	Chevron Overseas Services Corporation

"K-21"	Chevron International Pte Ltd
"K-22"	Chevron China Limited
"K-23"	Chevron Al Khaliij, A Branch of Chevron Asia Pacific Holdings, Limited
"K-24"	Chevron Lubricants Lanka Plc
"K-25"	Chevron (Cambodia) Limited
"K-26"	Chevron Demark Inc.-Denmark Branch
"K-27"	PT Chevron Oil Products Indonesia
"K-28"	Chevron Singapore Pte. Ltd.
"K-29"	Chevron Trading Pte. Ltd.
"K-30"	Star Holdings Company Ltd.
"K-31"	Chevron South Africa (Pty) Limited
"K-32"	Chevron Africa-Pakistan Services Pty Ltd.
"K-33"	Chevron (China) Investment Co., Ltd.
"K-34"	Chevron (Tianjin) Lubricants Co., Ltd.
"K-35"	Chevron Lubricants Vietnam Ltd.
"K-36"	Chevron Holdings Inc.-Taiwan
"K-37"	Talcor Pty. Limited
"K-38"	Chevron Hong Kong Limited
"K-39"	Chevron Malaysia Limited
"K-40"	Asia Pacific Marine Services (EF) B.V.
"K-41"	Chevron New Zealand
"K-42"	Chevron Pakistan Limited-Branch
"K-43"	Chevron (Thailand) Limited
"K-44"	Chevron (LAO) Limited
"K-45"	Chevron Kuo Pte. Ltd.
"K-46"	Chevron Limited Europe Mktg-Aviation
"K-47"	Chevron Products Company-EWA Trading
"K-48"	Chevron Products UK Limited Corporate Groups

Service Agreement	
Exhibit	Client
"L"	Chevron Services Company
"L-1"	Chevron U.S.A. Inc., (Singapore Branch)
"L-2"	Chevron Lanka Lubricants PLC [formerly, Caltex Lubricants Lanka Ltd.]
"L-3"	Chevron (Cambodia) Limited [formerly, Caltex Cambodia Ltd.]
"L-4"	PT Chevron Oil Products Indonesia [formerly, PT Caltex Oil Indonesia]
"L-5"	Chevron Singapore Pte. Ltd [formerly, Caltex Singapore Pte. Ltd.]
"L-6"	Chevron (China) Investment Co. Ltd [formerly, Caltex (China) Investment Company Limited]
"L-7"	Chevron (Tianjin) Lubricants Co., Ltd. [formerly, Caltex (Tianjin) Lubricant Company Limited]
"L-8"	Chevron Hong Kong Limited [formerly, Caltex Oil Hong Kong Limited]
"L-9"	Chevron Malaysia Limited [formerly, Caltex Oil Malaysia

	Limited]
"L-10"	Chevron New Zealand [formerly, Caltex New Zealand Ltd.]
"L-11"	Chevron Pakistan Limited Branch [formerly, Caltex Oil (Pakistan) Ltd.]
"L-12"	Chevron (Thailand) Limited [formerly, Caltex Oil (Thailand) Limited]

Printed screenshots of the U. S. Securities and Exchange Commission's website pertaining to Chevron Corporation's records which listed, among others, the following (*Exhibit "M"*):

Name of Subsidiary	State, Province or Country in Which Organized
Beta Offshore Nigeria Deepwater Limited	Nigeria
Cabinda Gulf Oil Company Limited	Bermuda
Chevron and Gulf UK Pension Plan Trustee Company Limited	England
Chevron Argentina S.R.L.	Argentina
Chevron Australia Pty Ltd.	Australia
Chevron Australia Transport Pty Ltd.	Australia
Chevron (Bermuda) Investments Limited	Bermuda
Chevron Brasil Petroleo Limitada	Brazil
Chevron Canada Capital Company	Nova Scotia
Chevron Canada Finance Limited	Canada
Chevron Canada Funding Company	Nova Scotia
Chevron Canada Limited	Canada
Chevron Capital Corporation	Delaware
Chevron Caspian Pipeline Consortium Company	Delaware
Chevron Environmental Management Company	California
Chevron Funding Corporation	Delaware
Chevron Geothermal Indonesia, Ltd.	Bermuda
Chevron Global Energy Inc.	Delaware
Chevron Global Power Company	Pennsylvania
Chevron Global Technology Services Company	Delaware
Chevron Global Upstream and Gas	Pennsylvania
Chevron International (Congo) Limited	Bermuda
Chevron International Petroleum Company	Delaware
Chevron Investment Management Company	Delaware
Chevron Investments (Netherlands) Inc.	Delaware
Chevron LNG Shipping Company Limited	Bermuda
Chevron Marine Products LLC	Delaware
Chevron Mining Inc.	Missouri
Chevron New Zealand	New Zealand
Chevron Nigeria Deepwater B Limited	Nigeria
Chevron Nigeria Deepwater D Limited	Nigeria
Chevron Nigeria Limited	Nigeria

Chevron Oil Congo (D.R.C.) Limited	Bermuda
Chevron Oronite Company LLC	Delaware
Chevron Oronite Pte. Ltd.	Singapore
Chevron Oronite S.A.	France
Chevron Overseas Company	Delaware
Chevron Overseas (Congo) Limited	Bermuda
Chevron Overseas Petroleum Limited	Bahamas
Chevron Overseas Pipeline (Cameroon) Limited	Bahamas
Chevron Overseas Pipeline (Chad) Limited	Bahamas
Chevron Pakistan Limited	Bahamas

Memorandum/Articles of Association, Certificate of Incorporation/Registration and other documents	
Exhibit	Documents
"N"	Certificate of Incorporation of Chevron Overseas Services Corporation
"N-1"	Increase of Par Value Share Capital of Chevron Africa-Pakistan Services (Pty) Ltd
"N-2"	Memorandum and Articles of Association of Chevron (Cambodia) Limited
"N-3"	Constitution of Talcot Pty. Limited
"N-4"	Charter of Chevron Lubricants Vietnam Limited
"N-5"	Memorandum of Association of Chevron Pakistan Limited
"N-6"	Memorandum and Articles of Association of Chevron (Lao) Ltd.
"N-7"	Articles of Association of Chevron South Africa Pty Ltd
"N-8"	Certificate of Change of Name and Incorporation of Chevron Malaysia Limited
"N-9"	Circular Resolution in Lieu of the General Meeting of Shareholders of P.T. Chevron Oil Products Indonesia
"N-10"	Certificate of Amendment of Certificate of Incorporation and By-Laws of Chevron Global Technology Services Company
"N-11"	Articles of Merger / Consolidation and By-Laws of Chevron U.S.A. Inc.
"N-12"	Certificate of Continuance of Chevron Asia Pacific Holdings Limited
"N-13"/"N-15"	Articles of Merger-Domestic Business Corporation of Chevron U.S.A. Inc.
"N-14"	Certificate of Incorporation of Chevron Gamma Limited
"N-16"	Articles of Association of Chevron (China) Investment Co., Ltd.
"N-17"	Certificate of Change of Name and Incorporation of Chevron (Thailand) Limited
"N-18"	Chevron Asia Pacific Holdings Limited's Registration / Renewal Certificate of a Foreign Branches Company
"N-19"	Certificate of Registration of Chevron Australia Pty Ltd
"N-20"	Certificate of Incorporation of Chevron Global Energy Inc.
"N-21"	Memorandum and Articles of Association of Chevron

	Hong Kong Limited
"N-22"	Articles of Association of Lanka Lubricants Limited
"N-23"	Articles of Association/Certificate of Incorporation of Chevron New Zealand
"N-24"	Articles of Association of ChevronTexaco North Sea Limited
"N-25"	Articles of Merger - Domestic Business Corporation of Chevron USA Inc.
"N-26"	Memorandum and Articles of Association of Chevron Singapore Pte Ltd
"N-27"	Articles of Association (By-Laws) of Star Holdings Company Limited
"O"	Inline Report of the Corporate Profile of Chevron U.S.A. Inc.
"O-1"	Legal Structure of Chevron U.S.A. Inc.
"O-2"	Certification issued by the Department of Treasury - Internal Revenue Service of Philadelphia that Chevron U.S.A. Inc. is a U.S. corporation and a resident of the U.S.A. for purposes of U.S. taxation
"O-3"	Inline Report of the Corporate Profile of Chevron Upstream and Gas as of August 1, 2012
"O-4"	Inline Report of the Corporate Profile of Chevron Global Upstream as of August 1, 2012
"O-5"	Inline Report of the Corporate Profile of Chevron Global Gas as of August 1, 2012
"O-6"	Inline Report of the Corporate Profile of Chevron Services Company as of August 1, 2012
"O-7"	Inline Report of the Corporate Profile of ChevronTexaco Global Lubricants as of August 1, 2012
"O-8"	Inline Report of the Corporate Profile of Chevron Products Company as of August 1, 2012
"P"	Inline Report of the Corporate Profile of Chevron Holdings Inc. as of August 1, 2012
"Q"	Inline Report of the Corporate Profile of Chevron Canada Limited as of August 1, 2012
"R"	Inline Report of the Corporate Profile of Chevron Limited as of August 1, 2012
"S"	Inline Report of the Corporate Profile of Chevron Corporation as of August 1, 2012
"S-1"	Restated Certificate of Incorporation of Chevron Corporation
"T"	Inline Report of the Corporate Profile of Chevron Munaigas Inc. as of August 1, 2012
"U"	Inline Report of the Corporate Profile of Chevron Global Downstream LLC as of August 1, 2012
"U-1"	Certificate of Amendment of Name from ChevronTexaco Global Downstream to Chevron Global Downstream LLC
"U-2"	Amended and Restated Limited Liability Company Agreement of Chevron Global Downstream LLC
"V"	Inline Report of the Corporate Profile of Chevron Labuan Limited as of August 1, 2012

"V-1"	Certificate of Incorporation on Change of Name of Offshore Company from Caltex Labuan Limited to Chevron Labuan Limited
"W"	Inline Report of the Corporate Profile of Chevron International Pte. Ltd. as of August 1, 2012
"W-1"	Certificate Confirming Incorporation of Company Under the New Name of Chevron International Pte Ltd
"W-2"	Certificate of Incorporation on Change of Name of Company from Caltex Services Pte Ltd to Caltex International Pte Ltd
"W-3"	Memorandum and Articles of Association of Caltex Services Pte Ltd
"X"	Inline Report of the Corporate Profile of Chevron China Limited as of August 1, 2012
"Y"	Inline Report of the Corporate Profile of Chevron Trading Pte. Ltd. as of August 1, 2012
"Y-1"	Certificate Confirming Incorporation of Company under the new name of Chevron Trading Pte. Ltd.
"Y-2"	Memorandum and Articles of Association of Caltex Trading Pte Ltd
"Z"	Inline Report of the Corporate Profile of Chevron (Tianjin) Lubricants Co., Ltd.
"Z-1"	Amendment to the Articles of Association of Chevron (Tianjin) Lubricants Co. Ltd.
"AA"	Inline Report of the Corporate Profile of Asia Pacific Marine Services (EF) B.V. as of August 1, 2012
"BB"	Inline Report of the Corporate Profile of Chevron Kuo Pte. Ltd. as of August 1, 2012
"CC"	Inline Report of the Corporate Profile of Chevron Denmark Inc. as of August 1, 2012
"DD"	Inline Report of the Corporate Profile of Chevron Products UK Limited as of August 1, 2012
"EE"	Inline Report of the Corporate Profile of Chevron Marine Products LLC as of August 1, 2012

Each of the enumerated documents, standing alone, is inadequate proof that petitioner's client-affiliates are non-resident foreign corporation doing business outside the Philippines. While the SEC Certificates of Non-Registration show that the entities named therein are not registered corporations/partnerships in the Philippines, the same do not prove that such entities are non-resident foreign corporations doing business outside the Philippines. Likewise, the Service Agreements only indicate the names and addresses of petitioner's customers to whom it rendered services but the same do not establish that such customers are non-resident foreign corporations conducting business outside the Philippines. The same with the Articles of Association, Articles/Certificate of Incorporation, Inline

Report of the Corporate Profile, and printed screenshots of the United States SEC website for company filings of Chevron Corporation which only prove that the entities named therein were incorporated or organized abroad but not the fact that they are not doing business in the Philippines.

To be considered as a non-resident foreign corporation doing business outside the Philippines, each entity must be supported at the very least by **both** SEC Certificate of Non-Registration of Corporation/Partnership **and** Memorandum/Articles of Association, Certificate of Incorporation/Registration, Articles of Merger, Certificate of Change of Name and Incorporation, Inline Report of the Corporate Profile **or** printed screenshots of US SEC website showing the state/province/country where the entity was organized. Thus, only the following client-affiliates of petitioner shall be considered as non-resident foreign corporations doing business outside the Philippines:

Client	SEC Certificate	Memorandum/ Articles of Association, Certificate of Incorporation/ Registration, Articles of Merger, Certificate of Change of Name and Incorporation, Inline Report of the Corporate Profile		Included in the list of Subsidiaries of Chevron Corporation (Exhibits "M")
	Exhibit	Exhibit	Documents	
Cabinda Gulf Oil Co. Ltd	"K-2"	"N-14"	Certificate of Incorporation of Cabinda Gulf Oil Company Limited	√
Chevron (China) Investment Co. Ltd	"K-33"	"N-16"	Articles of Association of Chevron China Investment Co. Ltd.	
Chevron (Lao) Ltd	"K-44"	"N-6"	Memorandum and Articles of Association of Chevron Lao Limited	
Chevron (Thailand) Limited	"K-43"	"N-17"	Certificate of Change of Name and Incorporation of Chevron Thailand Limited	√
Chevron (Tianjin) Lubricants Co.	"K-34"	"Z"	Inline Report of the Corporate Profile of Chevron Tianjin Lubricants Co Ltd	
		"Z-1"	Amended to the Articles of Association of Chevron Tianjin Lubricants Co Ltd	
Chevron Africa - Pakistan Services	"K-32"	"N-1"	Increase in Par Value Share Capital of Chevron Africa Pakistan Services Pty Ltd	
Chevron Australia Pty Ltd	"K-5"	"N-19"	Certificate of Registration of Chevron Australia Pty Ltd	√
Chevron Cambodia Limited	"K-25"	"N-2"	Memorandum and Articles of Association of Chevron Cambodia	√

Chevron China Ltd	"K-22"	"X"	Inline Report of the Corporate Profile of Chevron China Limited	
Chevron Corporation	"K-3"	"S"	Inline Report of the Corporate Profile of Chevron Corporation	
		"S-1"	Restated Certification of Incorporation of Chevron Corporation	
Chevron Global Downstream LLC	"K-13"	"U"	Inline Report of the Corporate Profile of Chevron Global Downstream LLC	
		"U-1"	Certificate of Amendment of Name of Chevron Global Downstream LLC	
		"U-2"	Amended and Restated Limited Liability Company Agreement of Chevron Global Downstream LLC	
Chevron Global Energy Inc.	"K-19"	"N-20"	Certificate of Incorporation of Chevron Global Energy Inc.	✓
Chevron Hong Kong Ltd	"K-38"	"N-21"	Memorandum and Articles of Association of Chevron Hong Kong Limited	
Chevron International Pte Ltd	"K-21"	"W"	Inline Report of the Corporate Profile of Chevron International Pte Ltd	
		"W-1"	Certificate Confirming Incorporation of Company under the new name of Chevron International Pte Ltd	
		"W-2"	Certificate of Incorporation on change of name of company of Chevron International Pte Ltd	
		"W-3"	Memorandum and Articles of Association of Chevron International Pte Ltd	
Chevron Kuo Pte Ltd	"K-45"	"BB"	Inline Report of the Corporate Profile of Chevron Kuo Pte Ltd	
Chevron Lubricants Vietnam Ltd	"K-35"	"N-4"	Charter of Chevron Lubricants Vietnam Limited	
Chevron Malaysia Limited	"K-39"	"N-8"	Certificate of Change of Name and Certificate of Incorporation of Chevron Malaysia Limited	
Chevron New Zealand	"K-41"	"N-23"	Articles of Association of Chevron New Zealand	✓
Chevron Pakistan Limited	"K-42"	"N-5"	Memorandum of Association of Chevron Pakistan Limited	✓
Chevron Products Company	"K"	"N-15"	Certificate of Incorporation for Caltex Oil Products Company	
		"O-8"	Inline Report of the Corporate Profile of Chevron Products Company	
Chevron Services Company	"K-1"	"O-6"	Inline Report of the Corporate Profile of Chevron Services Company	

✓

Chevron Singapore Pte Ltd	"K-28"	"N-26"	Memorandum and Articles of Association of Chevron Singapore Pte Ltd	
Chevron South Africa Pty Ltd	"K-31"	"N-7"	Articles of Association of Chevron South Africa Pty Ltd	
Chevron Trading Pte Ltd	"K-29"	"Y"	Inline Report of the Corporate Profile of Chevron Trading Pte Ltd	
		"Y-1"	Certificate Confirming Incorporation of Company under the new name of Chevron Trading Pte Ltd	
		"Y-2"	Memorandum and Articles of Association of Chevron Trading Pte Ltd	
Star Holdings Company Ltd	"K-30"	"N-27"	Articles of Association of Star Holdings Company Limited	
Talcor Pty Ltd	"K-37"	"N-3"	Constitution of Talcor Pty Limited	

Accordingly, petitioner’s receipts derived from services rendered to the above-enumerated entities for CY 2010 in the amount of ₱1,409,155,838.78 shall be subject to zero percent VAT pursuant to Section 108(B)(2) of the NIRC of 1997, as amended. Below is the breakdown of the said amount:

OR No.	OR Date	Name of Affiliate	Sales (in USD)	Sales (in Php)	Exhibit
First Quarter of 2010					
JANUARY					
2752	22-Jan-10	Chevron Lubricants Vietnam Ltd	864.43	P 39,927.48	"EEE-2"
2753	25-Jan-10	Chevron Services Company	657,732.98	30,171,237.61	"EEE-3"
2755	25-Jan-10	Chevron Global Downstream	328,570.67	15,072,049.08	"EEE-5"
2756	25-Jan-10	Chevron International Pte Ltd	254,856.66	11,690,672.48	"EEE-6"
2757	25-Jan-10	Chevron Australia Pty Ltd	122,541.09	5,621,150.92	"EEE-7"
2758	25-Jan-10	Chevron New Zealand	121,044.30	5,552,490.83	"EEE-8"
2759	25-Jan-10	Chevron (Thailand) Limited	103,619.56	4,753,190.83	"EEE-9"
2763	27-Jan-10	Chevron Pakistan Limited	4,675.77	216,170.60	"EEE-13"
FEBRUARY					
2765	04-Feb-10	Chevron Africa - Pakistan Services	155,153.26	7,176,376.50	"EEE-15"
2780	27-Feb-10	Chevron Products Company	545,590.64	25,270,525.24	"EEE-16"

2767	23-Feb-10	Chevron New Zealand	250,417.49	11,550,622.23	"EEE-18"
2770	27-Feb-10	Chevron Services Company	1,031,878.74	47,508,229.28	"EEE-21"
2772	27-Feb-10	Chevron Singapore Pte Ltd	261,452.79	12,037,421.27	"EEE-23"
2773	27-Feb-10	Chevron Hong Kong Ltd	205,859.62	9,477,883.06	"EEE-24"
2774	27-Feb-10	Chevron Global Downstream	130,513.59	6,008,912.98	"EEE-25"
2776	27-Feb-10	Chevron Corporation	103,173.36	4,750,154.70	"EEE-27"
2778	27-Feb-10	Chevron Malaysia Limited	151,185.15	6,947,846.97	"EEE-29"
2779	27-Feb-10	Chevron Cambodia Limited	34,918.60	1,604,715.07	"EEE-30"
MARCH					
2781	25-Mar-10	Chevron Services Company	993,776.76	34,726,687.67	"EEE-32"
2784	12-Mar-10	Chevron Products Company	760,514.46	45,315,857.73	"EEE-34"
2786	25-Mar-10	Chevron New Zealand	291,052.71	13,271,897.40	"EEE-36"
2787	25-Mar-10	Chevron International Pte Ltd	272,797.99	12,439,488.83	"EEE-37"
2788	25-Mar-10	Chevron (Thailand) Limited	179,729.94	8,195,619.70	"EEE-38"
2789	25-Mar-10	Chevron Hong Kong Ltd	149,303.99	6,808,207.48	"EEE-39"
2790	25-Mar-10	Chevron Global Downstream	148,078.16	6,752,310.08	"EEE-40"
2791	25-Mar-10	Chevron Products Company	146,543.62	6,682,335.61	"EEE-41"
2793	25-Mar-10	Cabinda Gulf Oil Co. Ltd	103,290.06	4,709,989.06	"EEE-43"
2796	26-Mar-10	Chevron Malaysia Limited	108,592.00	4,963,071.30	"EEE-46"
sub-total				P 349,315,041.99	
Second Quarter of CY 2010					
APRIL					
2805	23-Apr-10	Chevron New Zealand	151,332.00	P 6,713,930.79	"FFF-4"
2807	23-Apr-10	Chevron Trading Pte Ltd	66,177.38	2,935,997.34	"FFF-6"
2808	23-Apr-10	Cabinda Gulf Oil Co. Ltd	44,031.28	1,953,472.94	"FFF-7"
2809	23-Apr-10	Chevron International Pte Ltd	40,146.82	1,781,136.65	"FFF-8"
2811	23-Apr-10	Chevron (China) Investment Co. Ltd	13,724.23	608,883.32	"FFF-10"
2812	23-Apr-10	Chevron Kuo Pte Ltd	5,702.43	252,991.57	"FFF-11"
2814	23-Apr-10	Chevron Global Energy Inc.	5,548.31	246,153.95	"FFF-13"
2818	26-Apr-10	Chevron Services Company	361,317.43	16,015,843.53	"FFF-17"
2819	26-Apr-10	Chevron Global Downstream	353,290.77	15,660,051.86	"FFF-18"
2821	26-Apr-10	Chevron South Africa Pty Ltd	166,845.50	7,395,633.87	"FFF-20"

2823	26-Apr-10	Chevron Products Company	89,726.70	3,977,247.34	"FFF-22"
2824	26-Apr-10	Chevron Hong Kong Ltd	88,778.79	3,935,230.05	"FFF-23"
2825	26-Apr-10	Chevron Malaysia Limited	77,371.22	3,429,575.35	"FFF-24"
2827	26-Apr-10	Chevron Africa - Pakistan Services	34,340.27	1,522,175.09	"FFF-26"
2828	26-Apr-10	Chevron Corporation	32,045.48	1,420,455.67	"FFF-27"
2836	26-Apr-10	Chevron Cambodia Limited	7,027.94	311,522.16	"FFF-35"
2842	26-Apr-10	Chevron Global Downstream LLC	1,832.84	81,242.91	"FFF-41"
2845	26-Apr-10	Chevron (Lao) Ltd	1,522.07	67,467.64	"FFF-44"
2847	26-Apr-10	Chevron China Ltd	902.84	40,019.50	"FFF-46"
2850	27-Apr-10	Star Holdings Company Ltd	81,009.61	3,587,670.95	"FFF-49"
2851	27-Apr-10	Chevron (Thailand) Limited	67,470.31	2,988,056.24	"FFF-50"
2815	23-Apr-10	Chevron Australia Pty Ltd	4,164.59	184,764.42	"FFF-57"
2799	19-Apr-10	Chevron Products Company	701,184.70	31,108,460.51	"FFF-61"
MAY					
2865	18-May-10	Chevron Products Company	653,944.58	29,510,134.48	"FFF-72"
2868	25-May-10	Chevron Services Company	998,224.33	46,493,913.83	"FFF-73"
2869	25-May-10	Chevron Hong Kong Ltd	159,394.12	7,424,039.12	"FFF-74"
2871	25-May-10	Chevron New Zealand	259,678.18	12,094,931.53	"FFF-76"
2872	25-May-10	Chevron Singapore Pte Ltd	151,363.24	7,049,987.89	"FFF-77"
2873	25-May-10	Chevron Global Downstream	142,790.64	6,650,705.17	"FFF-78"
2875	26-May-10	Chevron Malaysia Limited	106,838.95	4,978,515.84	"FFF-80"
JUNE					
2885	17-Jun-10	Chevron Products Company	659,951.97	30,652,669.30	"FFF-87"
2886	25-Jun-10	Chevron Services Company	1,014,213.70	46,502,232.92	"FFF-88"
2889	25-Jun-10	Chevron Global Downstream	158,637.83	7,273,628.15	"FFF-94"
2896	25-Jun-10	Chevron Products Company	143,589.60	6,583,658.87	"FFF-95"
2899	25-Jun-10	Chevron International Pte Ltd	198,015.89	9,079,132.97	"FFF-96"
2891	25-Jun-10	Chevron Singapore Pte Ltd	157,259.44	7,210,428.24	"FFF-97"
2895	25-Jun-10	Star Holdings Company Ltd	4,871.21	223,347.55	"FFF-98"
2890	25-Jun-10	Chevron Hong Kong Ltd	157,331.24	7,213,720.31	"FFF-99"
2887	25-Jun-10	Chevron New Zealand	260,171.67	11,929,008.25	"FFF-100"
2888	25-Jun-10	Chevron (Thailand) Limited	163,672.76	7,504,482.35	"FFF-101"

2901	28-Jun-10	Chevron Global Energy Inc.	916.41	42,211.42	"FFF-102"
2900	28-Jun-10	Chevron Malaysia Limited	105,270.85	4,848,956.70	"FFF-103"
sub-total				P 359,483,688.54	
Third Quarter of CY 2010					
JULY					
2904	01-Jul-10	Chevron (Tianjin) Lubricants Co.	18,811.15	P 873,312.44	"GGG-1"
2905	13-Jul-10	Chevron South Africa Pty Ltd	21,854.50	1,009,912.20	"GGG-2"
2906	15-Jul-10	Talcor Pty Ltd	1,320.28	61,039.30	"GGG-3"
2909	23-Jul-10	Chevron New Zealand	143,504.35	6,668,417.75	"GGG-6"
2910	26-Jul-10	Chevron Services Company	712,471.45	33,153,627.27	"GGG-7"
2911	26-Jul-10	Chevron Global Downstream	334,336.89	15,557,789.20	"GGG-8"
2916	26-Jul-10	Chevron Cambodia Limited	1,027.55	47,815.26	"GGG-13"
2917	26-Jul-10	Chevron (China) Investment Co. Ltd	6,096.51	283,690.55	"GGG-14"
2918	23-Jul-10	Chevron International Pte Ltd	255,251.48	11,861,128.25	"GGG-15"
2921	20-Jul-10	Chevron Products Company	707,382.00	32,825,150.81	"GGG-18"
AUGUST					
2923	17-Aug-10	Chevron Products Company	654,133.66	29,572,046.11	"GGG-20"
2926	24-Aug-10	Chevron Africa - Pakistan Services	168,579.11	7,597,075.71	"GGG-23"
2927	24-Aug-10	Chevron (Thailand) Limited	124,350.85	5,603,913.93	"GGG-24"
2928	24-Aug-10	Chevron South Africa Pty Ltd	28,318.03	1,276,161.78	"GGG-25"
2929	25-Aug-10	Chevron Services Company	1,013,122.25	45,595,060.76	"GGG-26"
2931	25-Aug-10	Chevron New Zealand	260,124.91	11,706,791.63	"GGG-28"
2932	25-Aug-10	Chevron Hong Kong Ltd	199,191.27	8,964,503.60	"GGG-29"
2933	25-Aug-10	Chevron Singapore Pte Ltd	161,185.10	7,254,054.91	"GGG-30"
2934	25-Aug-10	Chevron Global Downstream	150,197.44	6,759,560.76	"GGG-31"
2935	25-Aug-10	Chevron Malaysia Limited	145,787.11	6,561,076.06	"GGG-32"
SEPTEMBER					
3057	24-Sep-10	Chevron New Zealand	261,947.18	11,493,952.61	"GGG-37"
3058	24-Sep-10	Chevron Singapore Pte Ltd	149,544.27	6,561,837.21	"GGG-38"
3059	24-Sep-10	Chevron International Pte Ltd	134,961.57	5,921,964.46	"GGG-39"
3061	20-Sep-10	Chevron Products Company	654,288.26	28,989,289.32	"GGG-41"
3062	27-Sep-10	Chevron Services Company	992,520.75	43,550,713.03	"GGG-42"
3064	27-Sep-10	Chevron Global Downstream	204,274.25	8,963,328.21	"GGG-44"

3065	27-Sep-10	Chevron Hong Kong Ltd	156,582.86	6,870,682.76	"GGG-45"
3068	27-Sep-10	Chevron Malaysia Limited	104,809.07	4,598,906.10	"GGG-48"
3078	27-Sep-10	Chevron Products Company	149,506.57	6,560,182.97	"GGG-49"
sub-total				P 356,742,984.95	
Fourth Quarter of CY 2010					
OCTOBER					
3085	22-Oct-10	Chevron International Pte Ltd	253,570.33	P 10,962,833.12	"HHH-4"
3091	26-Oct-10	Chevron Services Company	518,619.39	22,335,029.72	"HHH-10"
3092	26-Oct-10	Chevron Global Downstream	335,191.86	14,435,480.62	"HHH-11"
3093	26-Oct-10	Chevron New Zealand	219,123.00	9,436,821.71	"HHH-12"
3098	26-Oct-10	Chevron (Thailand) Limited	94,588.91	4,073,596.47	"HHH-17"
3099	26-Oct-10	Cabinda Gulf Oil Co. Ltd	78,780.74	3,392,796.73	"HHH-18"
3100	26-Oct-10	Chevron Trading Pte Ltd	64,517.19	2,778,518.09	"HHH-19"
3101	26-Oct-10	Chevron Products Company	60,319.04	2,597,719.21	"HHH-20"
3102	26-Oct-10	Chevron Singapore Pte Ltd	59,466.51	2,561,003.88	"HHH-21"
3103	26-Oct-10	Star Holdings Company Ltd	58,609.13	2,524,079.67	"HHH-22"
3104	26-Oct-10	Chevron International Pte Ltd	49,068.72	2,113,209.30	"HHH-23"
3107	26-Oct-10	Chevron Australia Pty Ltd	29,963.90	1,290,434.97	"HHH-26"
3112	26-Oct-10	Chevron Kuo Pte Ltd	12,282.51	528,962.53	"HHH-31"
3114	26-Oct-10	Chevron Global Energy Inc.	8,747.43	376,719.64	"HHH-33"
3115	26-Oct-10	Chevron Hong Kong Ltd	7,218.89	310,891.04	"HHH-34"
3119	26-Oct-10	Chevron Cambodia Limited	2,394.26	103,111.97	"HHH-38"
3123	26-Oct-10	Chevron Malaysia Limited	1,675.53	72,158.91	"HHH-42"
3129	26-Oct-10	Chevron Corporation	116,889.77	5,034,012.49	"HHH-48"
3130	26-Oct-10	Chevron Australia Pty Ltd	37.27	1,605.08	"HHH-49"
NOVEMBER					
3136	23-Nov-10	Chevron Hong Kong Ltd	152,839.07	6,671,281.97	"HHH-55"
3137	23-Nov-10	Chevron Singapore Pte Ltd	148,752.52	6,492,907.90	"HHH-56"
3138	26-Nov-10	Chevron Malaysia Limited	104,809.07	4,609,018.03	"HHH-57"
3140	24-Nov-10	Chevron Services Company	988,529.32	43,490,071.27	"HHH-59"
3142	24-Nov-10	Chevron New Zealand	259,139.80	11,400,783.11	"HHH-61"
3143	24-Nov-10	Chevron Global Downstream	133,818.03	5,887,286.85	"HHH-62"

3144	24-Nov-10	Chevron International Pte Ltd	128,848.63	5,668,659.48	"HHH-63"
DECEMBER					
3148	02-Dec-10	Chevron Africa - Pakistan Services	157,563.05	6,941,103.52	"HHH-67"
3153	21-Dec-10	Chevron Products Company	1,343,839.71	58,914,498.47	"HHH-72"
3154	21-Dec-10	Chevron New Zealand	227,862.38	10,077,946.93	"HHH-73"
3155	21-Dec-10	Chevron Hong Kong Ltd	158,263.78	6,999,724.90	"HHH-74"
3156	21-Dec-10	Chevron (Thailand) Limited	158,169.32	6,995,547.10	"HHH-75"
3158	21-Dec-10	Chevron International Pte Ltd	100,721.97	4,454,753.21	"HHH-77"
3159	22-Dec-10	Chevron Services Company	1,002,786.90	44,588,123.61	"HHH-78"
3161	22-Dec-10	Chevron Australia Pty Ltd	381,732.57	16,973,435.75	"HHH-80"
3162	22-Dec-10	Chevron Global Downstream	156,694.25	6,967,285.46	"HHH-81"
3163	22-Dec-10	Chevron Products Company	140,946.38	6,267,068.92	"HHH-82"
3166	23-Dec-10	Chevron (Tianjin) Lubricants Co.	29,320.79	1,299,680.41	"HHH-85"
3167	28-Dec-10	Chevron South Africa Pty Ltd	46,640.00	2,053,720.83	"HHH-86"
3168	28-Dec-10	Chevron (Tianjin) Lubricants Co.	27,612.28	1,215,864.38	"HHH-87"
3169	28-Dec-10	Chevron (China) Investment Co. Ltd	16,268.90	716,376.05	"HHH-88"
sub-total				P 343,614,123.30	
Total Valid Zero-Rated Sales for the 1st, 2nd, 3rd and 4th quarter of CY 2010				P1,409,155,838.78	

On the other hand, the amount of P492,994,804.48, as computed below, shall be denied VAT zero-rating for petitioner's failure to prove that the entities to which it rendered services are non-resident foreign corporations doing business outside the Philippines.

Zero-Rated Receipts Per Returns	P 1,902,437,672.79
Less: Valid Zero-Rated Receipts	1,409,155,838.78
Disallowed Zero-Rated Receipts	493,281,834.01
Less: Not covered by ORs	81,781.68
Without corresponding foreign currency remittances	205,247.85
Remaining Disallowed Zero-Rated Receipts	P 492,994,804.48

With the finding that petitioner has valid VAT zero-rated sales for the four quarters of CY 2010 amounting to P1,409,155,838.78, the Court needs to determine the

amount of input VAT paid or incurred which are attributable to VAT zero-rated sales.

As earlier mentioned, petitioner reflected a total amount of ₱67,393,501.98 allowable input VAT in its Quarterly VAT Returns for CY 2010, to wit:

Particulars	Input VAT
Amortization of Input Tax on Capital Goods exceeding ₱1 Million	₱ 16,920,216.87
Purchase of Capital Goods not exceeding ₱1 Million	105,834.35
Domestic Purchase of Goods (other than Capital Goods)	2,121,501.94
Importation of Goods other than Capital Goods	82,720.00
Domestic Purchase of Services	37,827,421.11
Service Rendered by Non-Residents	10,335,807.71
Total Available Input Tax	₱67,393,501.98

In support of its reported input VAT of ₱67,393,501.98, petitioner presented various invoices, official receipts, Import Entry and Internal Revenue Declarations (IEIRDs), BIR Form No. 1600 and other documents which were all examined by the ICPA.

The Supplemental ICPA Report dated November 26, 2012,⁴⁷ summarized the total amount of input VAT for the four quarters of CY 2010 supported by valid documents, the total amount of input VAT supported by documents with noted exceptions, and the total amount of input VAT not claimed by petitioner and thus, not subjected to review. The total amount of ₱67,393,501.98 input VAT is broken down as follows:

Particulars	Amount
Total Input VAT supported by valid documents per review	₱ 60,613,396.97
Total Input VAT supported by documents with noted exceptions per review	6,558,483.60
Total Input VAT not claimed and not subjected for review (Total Input VAT per 2010 Quarterly VAT Returns less Input VAT covered by documents submitted for review)	221,621.41
Total Input VAT per Quarterly VAT Returns (four quarters of CY 2010)	₱67,393,501.98

⁴⁷ Exhibit "JJ".

The input VAT in the amount of ₱6,558,483.60 shall be disallowed from petitioner's claim as they are not properly substantiated by VAT invoices or receipts as prescribed under Sections 110(A) and 113(A) and (B) of the NIRC of 1997, as amended, in relation to Sections 4.110-1, 4.110-8, and 4.113-1 of Revenue Regulations No. 16-05. The said amount is broken down as follows:

Exceptions	Exhibit	Total
AMORTIZATION OF INPUT TAXES ON CAPITAL GOODS EXCEEDING P1 MILLION		
a. Goods supported with official receipts	"TTTT" to "TTTT-2"	₱ 1,303.39
b. Services supported with invoice	"UUUUU" to "UUUUU-36"	1,755,866.18
c. Goods supported with documents other than an invoice	"VVVVV" to "VVVVV-5"	34,783.61
d. Services supported with documents other than an official receipt	"WWWWW" to "WWWWW-3"	661,070.86
e. Supported with zero-rated invoice or official receipt	"XXXXX" to "XXXXX-1"	40,661.73
f. Supported with documents without authority to print	"YYYYY" to "YYYYY-9"	77,983.69
g. Supported with photocopy of documents	"ZZZZZ" to "ZZZZZ-3"	3,610.25
h. Supported with documents dated out of the calendar year	"AAAAAA" to "AAAAAA-26"	287,373.26
i. Over-claimed VAT	"SSSSSS"	23,052.38
j. Unsupported	"CCCCCC"	890,990.22
Total Disallowed Amortization of Input Taxes on Capital Goods Exceeding 1 Million		₱ 3,776,695.57
INPUT TAXES ON PURCHASES OF CAPITAL GOODS, GOODS (OTHER THAN CAPITAL GOODS) AND SERVICES		
First Quarter		
a. Domestic purchases of goods supported by invoices without authority to print	"CCCC" to "CCCC-3"	₱ 964.29
b. Domestic purchases of goods supported by photocopied VAT invoice only	"DDDD" to "DDDD-1"	2,123.62
c. Domestic purchases of goods supported by invoices dated out of the CY 2010	"EEEE" to "EEEE-14"	46,834.53
d. Domestic purchases of services supported by invoices only	"FFFF" to "FFFF-10"	14,614.29
e. Domestic purchases of services with other documents as support	"GGGG" to "GGGG-3"	230,158.03
f. Domestic purchases of services supported by ORS without authority to print	"HHHH" to "HHHH-2"	1,080.00
g. Domestic purchases of services supported by provisional receipts only	"IIII" to "IIII-4-4"	214.28

h. Domestic purchases of services supported by official receipts dated out of the CY 2010	"JJJJ" to "JJJJ-65"	1,651,518.30
i. Domestic purchases of services also claimed as support for input VAT from purchase of capital goods not exceeding P1 million	"KKKK" to "KKKK-3"	26,678.57
j. Domestic purchases of services without supporting documents	"LLLL"	120,248.82
Subtotal - First Quarter		P 2,094,434.73
Second Quarter		
a. Domestic purchases of goods with official receipts as support only	"MMMM" to "MMMM-15"	P 1,011.87
b. Domestic purchases of goods supported by documents other than official receipts/invoices	"NNNN" to "NNNN-1"	13.26
c. Domestic purchases of goods supported by invoices without authority to print	"OOOO" to "OOOO-4"	707.13
d. Domestic purchases of goods supported by invoices dated out of the CY 2010	"PPPP" to "PPPP-1"	84.43
e. Domestic purchases of goods also claimed as support for input VAT from purchase of capital goods not exceeding P1 million	"RRRR" to "RRRR-1"	3,739.15
f. Domestic purchases of goods without supporting documents	"QQQQ"	5.36
g. Domestic purchases of services supported by official receipts without authority to print	"SSSS" to "SSSS-8"	36,708.70
h. Domestic purchases of services supported by provisional receipt only	"TTTT" to "TTTT-11"	164,739.86
i. Domestic purchases of services supported by official receipts dated out of the CY 2010	"UUUU" to "UUUU-1"	6,480.00
j. Domestic purchases of services without supporting documents	"VVVV"	128.06
Subtotal - Second Quarter		P 213,617.82
Third Quarter		
a. Domestic purchases of goods with official receipt as support only	"WWWW" to "WWWW-11"	P 428.23
b. Domestic purchases of goods supported by invoices without authority to print	"XXXX" to "XXXX-3"	79,848.82
c. Domestic purchases of goods without supporting documents	"YYYY"	124.91
d. Domestic purchases of services with invoice as support only	"ZZZZ" to "ZZZZ-8"	169,764.77
e. Domestic purchases of services supported by non-VAT official receipts	"AAAAA" to "AAAAA-2"	882.36
f. Domestic purchases of services supported by official receipts without authority to print	"BBBBB" to "BBBBB-11"	46,391.27
g. Domestic purchases of services supported by photocopied VAT official receipts only	"CCCCC" to "CCCCC-1"	9,000.00

h. Domestic purchases of services supported by provisional receipt only	"EEEEEE" to "EEEEEE-12"	89,479.16
i. Domestic purchases of services without supporting documents	"FFFFFF"	6,183.84
Subtotal - Third Quarter		P 402,103.36
Fourth Quarter		
a. Domestic purchases of goods supported by invoices without authority to print	"GGGGG" to "GGGGG-2"	P 675.00
b. Domestic purchases of services supported by invoices only	"JJJJJ" to "JJJJJ-2"	964.28
c. Domestic purchases of services with other document as support	"KKKKK" to "KKKKK-5"	1,419.86
d. Domestic purchases of services supported by nob-VAT official receipts	"LLLLL" to "LLLLL-1"	3,024.00
e. Domestic purchases of services supported by official receipts without authority to print	"MMMMM" to "MMMMM-10"	26,703.22
f. Domestic purchases of services supported by provisional receipt	"OOOOO" to "OOOOO-4"	38,333.57
g. Domestic purchases of services without supporting documents	"PPPPP"	512.82
Subtotal - Fourth Quarter		P 71,632.75
Total Disallowed Input Taxes on Purchases of Capital Goods, Goods (Other than Capital Goods) and Services		P 2,781,788.66
Grand Total – Disallowed Input VAT		P6,558,484.23⁴⁸

On account of the aforesaid disallowances, the Court finds that only the amount of ₱60,613,396.97 is duly substantiated, out of the total allowable input VAT per Quarterly VAT Returns in the amount of ₱67,393,501.98, detailed as follows:

Particulars	Exhibit	Total
AMORTIZATION OF INPUT TAXES ON CAPITAL GOODS EXCEEDING ₱1 MILLION		
First Quarter	"SSSSS" to "SSSSS-601"	P 3,072,342.99
Second Quarter		3,133,076.05
Third Quarter		3,266,554.76
Fourth Quarter		3,449,926.10
TOTAL		P12,921,899.90

⁴⁸ Difference of ₱0.63 (₱6,558,483.60 minus ₱6,558,484.23) is due to rounding-off.

INPUT TAXES ON PURCHASES OF CAPITAL GOODS, GOODS (OTHER THAN CAPITAL GOODS) AND SERVICES		
First Quarter		
Purchases of goods supported by valid VAT Invoices	"UUU" to "UUU-42"	₱ 197,828.70
Purchases of services supported by valid VAT Official Receipts	"VVV" to "VVV-326"	7,081,404.89
Subtotal - First Quarter		₱ 7,279,233.59
Second Quarter		
Purchases of goods supported by valid VAT Invoices	"WWW" to "WWW-88"	₱ 448,847.89
Purchases of services supported by valid VAT Official Receipts	"XXX" to "XXX-394"	10,353,825.85
Subtotal - Second Quarter		₱10,802,673.74
Third Quarter		
Purchases of goods supported by valid VAT Invoices	"YYY" to "YYY-68"	₱ 365,465.43
Purchases of services supported by valid VAT Official Receipts	"ZZZ" to "ZZZ-343"	9,440,839.80
Subtotal - Third Quarter		₱ 9,806,305.23
Fourth Quarter		
Purchases of goods supported by valid VAT Invoices	"AAAA" to "AAAA-88"	₱ 407,675.71
Purchases of services supported by valid VAT Official Receipts	"BBBB" to "BBBB-375"	8,977,081.09
Subtotal - Fourth Quarter		₱ 9,384,756.80
TOTAL		₱37,272,969.36
C. INPUT TAXES ON IMPORTATION OF GOODS (OTHER THAN CAPITAL GOODS)		
<i>Duly supported with IEIRD and BPI Settlement Advice</i>		
Third Quarter	"RRRRR" to "RRRRR-7"	₱ 75,236.00
Fourth Quarter	"RRRRR-8"	7,484.00
TOTAL		₱ 82,720.00
D. INPUT TAXES ON PURCHASES OF SERVICES RENDERED BY NON-RESIDENTS		
<i>Duly supported with BIR Form No. 1600 and e-payment</i>		
First Quarter	"QQQQQ-1" to "QQQQQ-1"	₱ 376,406.71
Second Quarter	"QQQQQ-2" to "QQQQQ-3"	2,505,664.99
Third Quarter	"QQQQQ-4" to "QQQQQ-6"	3,847,752.34
Fourth Quarter	"QQQQQ-7" to "QQQQQ-9"	3,605,983.67
TOTAL		₱10,335,807.71
GRAND TOTAL		₱60,613,396.97

Since petitioner failed to submit the VAT invoices/receipts that will prove the existence of its reported input VAT carry-over from previous year in the amount of ₱337,044,902.44,⁴⁹ offsetting of its output VAT liability for CY 2010 in the amount of ₱18,741,363.64 against the valid input VAT of ₱60,613,396.97 is in order, resulting in an excess input VAT of only ₱41,872,033.33, computed as follows:

	1st Qtr (in Pesos)	2nd Qtr (in Pesos)	3rd Qtr (in Pesos)	4th Qtr (in Pesos)	Total (in Pesos)
Amortization of Input Tax on Capital Goods Exceeding ₱1 Million	3,072,342.99	3,133,076.05	3,266,554.76	3,449,926.10	12,921,899.90
Purchases of Capital Goods Not Exceeding ₱1 Million, Goods Other Than Capital Goods and Services	7,279,233.59	10,802,673.74	9,806,305.23	9,384,756.80	37,272,969.36
Importation of Goods Other Than Capital Goods	-	-	75,236.00	7,484.00	82,720.00
Purchases of Services Rendered by Non-Residents	376,406.71	2,505,664.99	3,847,752.34	3,605,983.67	10,335,807.71
Total Valid Input VAT	10,727,983.29	16,441,414.78	16,995,848.33	16,448,150.57	60,613,396.97
Less: Output VAT	4,571,232.42	4,645,930.00	4,658,159.20	4,866,042.02	18,741,363.64
Excess Input VAT	6,156,750.87	11,795,484.78	12,337,689.13	11,582,108.55	41,872,033.33

Hence, for the four taxable quarters of CY 2010, only the excess input VAT of ₱41,872,033.33 can be attributed to the entire zero-rated receipts declared by petitioner in the amount of ₱1,902,437,672.79, and only the input VAT of ₱31,119,589.65 is attributable to the valid zero-rated receipts of ₱1,409,155,838.78, as computed below:

	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total
Valid Zero-Rated Receipts	₱349,315,041.99	₱359,483,688.54	₱356,742,984.95	₱343,614,123.30	₱1,409,155,838.78
Total Declared Zero-Rated Receipts	₱480,156,520.24	₱471,960,616.06	₱467,946,872.66	₱482,373,663.83	₱1,902,437,672.79
% of Valid Zero-Rated Receipts	72.750244%	76.168154%	76.235788%	71.234014%	

⁴⁹ Exhibit "D", Line 20A.

to Total Declared Zero-Rated Receipts					
Multiplied by Excess Input VAT	₱ 6,156,750.87	₱ 11,795,484.78	₱ 12,337,689.13	₱ 11,582,108.55	₱ 41,872,033.3
Excess Input VAT Attributable to Valid Zero-Rated Receipts	₱4,479,051.31	₱8,984,403.00	₱9,405,734.51	₱8,250,400.83	₱31,119,589.65

The Court also observed that although the claimed input VAT was carried over by petitioner in its succeeding Quarterly VAT Returns,⁵⁰ the same remained unutilized until it was deducted as "VAT Refund/TCC Claimed"⁵¹ in its Quarterly VAT Return for the 4th quarter of CY 2011. Thus, the excess input VAT of ₱153,234,607.46⁵² as of the end of the 4th quarter of CY 2011, which was to be carried over to the succeeding 1st quarter of CY 2012, no longer included the subject claim.

All stated, petitioner has sufficiently established that it is entitled to a refund or issuance of tax credit certificate corresponding to its unutilized and excess input VAT for the four taxable quarters of CY 2010 attributable to its zero-rated receipts, but in the reduced amount of ₱31,119,589.65.

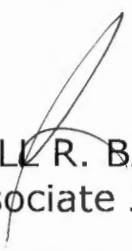
WHEREFORE, the instant Petition for Review is hereby **PARTIALLY GRANTED**. Accordingly, respondent Commissioner of Internal Revenue is hereby **DIRECTED** to **REFUND** or **ISSUE A TAX CREDIT CERTIFICATE** in favor of petitioner Chevron Holdings Inc. in the reduced amount of ₱31,119,589.65, representing unutilized and excess input VAT for the four taxable quarters of CY 2010 attributable to its zero-rated receipts.

SO ORDERED.


ESPERANZA R. FABON-VICTORINO
Associate Justice

⁵⁰ Exhibits "H" to "H-3".
⁵¹ Exhibit "H-3", Line 23D.
⁵² Exhibit "H-3", Line 29.

We Concur:



LOVELL R. BAUTISTA
Associate Justice



MA. BELEN M. RINGPIS-LIBAN
Associate Justice

ATTESTATION

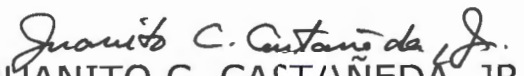
I attest that the conclusions in the above Decision were reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.



LOVELL R. BAUTISTA
Associate Justice
Chairperson

CERTIFICATION

Pursuant to Section 13 of Article VIII of the Constitution, and the Division's Chairperson's Attestation, 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's Division.



JUANITO C. CASTAÑEDA, JR.
Acting Presiding Justice