

REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

EN BANC

COMMISSIONER OF INTERNAL
REVENUE,

Petitioner,

CTA EB NO. 2809
(CTA Case No. 10281)

Present:

Del Rosario, P.J.,
Ringpis-Liban,
Manahan,
Bacorro-Villena,
Modesto-San Pedro,
Reyes-Fajardo,
Cui-David,
Ferrer-Flores, and
Angeles, II.

- *versus* -

MCKINSEY & CO. (PHILS.),
Respondent.

Promulgated:

APR 03 2025

x-----x

RESOLUTION

RINGPIS-LIBAN, J.:

For resolution of the Court is the *Motion for Reconsideration* dated December 12, 2024 filed by the respondent on even date.

In the said *Motion*, respondent seeks reconsideration of this Court *En Banc*'s Resolution dated November 18, 2024 denying respondent's *Motion for Motion for Leave of Court to Reopen Trial*. To support the propriety of the filing of its *Motion*, respondent invoked Section 1, Rule 15 of the Revised Rules of the Court of Tax Appeals (RRCTA) which states:

“SECTION 1. *Who may and when to file motion.* — Any aggrieved party may seek a reconsideration or new trial of any decision, resolution or order of the Court by filing a motion for reconsideration or new trial within fifteen days from the date of receipt of notice of the decision, resolution or order of the Court in question.”

Respondent contends that the grant of a motion to reopen trial is based on the ground of “paramount interest of justice” and not on the finding of “exceptional circumstance” warranting the relaxation of procedural rules and insists that the admission of additional evidence, if allowed, would substantially alter the outcome of the present case. Respondent also reiterated its previous assertion that inadvertence, mistake, and oversight are grounds present in this case that warrant the grant of its motion to reopen trial.

The Court *En Banc* finds no merit in respondent’s position.

The denial of respondent’s *Motion for Leave of Court to Reopen Trial* was due to the absence of **good reason** to grant the same. As the said motion was filed *after judgment* was already rendered by this Court, in adherence to the Supreme Court’s instruction in *Alamayi v. Pabale, et. al.*¹ that “only under **exceptional circumstances** may the court receive new evidence after having rendered judgment,” this Court merely pointed out that the factual grounds cited by respondent in its motion do not constitute exceptional circumstances to warrant the relaxation of the procedural rules.

It is true that, ultimately, the “paramount interest of justice” is the standard for the courts in determining whether to grant or to deny motions to reopen trial. Such determination, however, rests entirely on sound judicial discretion. The exercise of this judicial discretion, to be considered “sound,” must necessarily be anchored on sufficient factual and legal bases. Otherwise, judicial discretion will transmogrify into an improvident exercise of authority or a *grave abuse of discretion* that is tantamount to excess or lack of jurisdiction.

The invocation by a litigant of “paramount interest of justice” is not a magical incantation that will miraculously turn the tide in its favor and automatically compel the court to suspend the operation of procedural rules. Rules of procedure are not to be belittled or dismissed simply because their non-observance may have resulted in prejudice to a party’s substantive rights.² The relaxation of procedural rules remains the exception rather than the general rule, and requires the one who invokes the same to provide valid and compelling

¹ G.R. No. 151243, April 30, 2008.

² *Racion v. MST Marine Services Philippines, Inc., et. al.*, G.R. No. 219291, July 4, 2018.

reasons therefor.³ After all, procedural rules exist for a purpose, the proper observance of which is an essential ingredient of a fair administration of justice.

If only to finally put this matter to rest, the Court *En Banc* reiterates its finding that the reopening of the case for presentation of additional evidence will only serve to delay the final resolution thereof.

WHEREFORE, respondent's *Motion for Reconsideration* dated December 12, 2024 is **DENIED** for lack of merit.

SO ORDERED.



MA. BELEN M. RINGPIS-LIBAN
Associate Justice

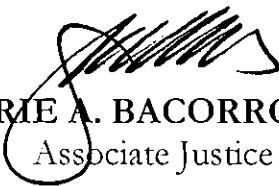
WE CONCUR:



ROMAN G. DEL ROSARIO
Presiding Justice

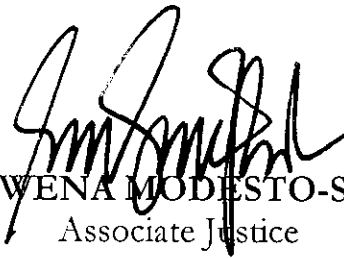


CATHERINE T. MANAHAN
Associate Justice



JEAN MARIE A. BACORRO-VILLENA
Associate Justice

³ *Daikoku Electronics Phils., Inc. v. Raza*, G.R. No. 181688, June 5, 2009.



MARIA ROWENA MODESTO-SAN PEDRO
Associate Justice

Marian Ivy F. Reyes - Fajardo
MARIAN IVY F. REYES-FAJARDO
Associate Justice

Laney S. Cui-David
LANEE S. CUI-DAVID
Associate Justice

Corazon G. Ferrer-Flores
CORAZON G. FERRER-FLORES
Associate Justice

H
HENRY S. ANGELES
Associate Justice