



REPUBLIC OF THE PHILIPPINES  
SUPREME COURT  
Manila

SECOND DIVISION

**NOTICE**

Sirs/Mesdames:

*Please take notice that the Court, Second Division, issued a Resolution dated 27 July 2020 which reads as follows:*

**“G.R. No. 252424 (Wellform Trading Corporation v. Commissioner of Internal Revenue).** – After a judicious study of the case, the Court resolves to **DENY** the instant petition<sup>1</sup> and **AFFIRM** the September 24, 2019 Decision<sup>2</sup> and the February 20, 2020 Resolution<sup>3</sup> of the Court of Tax Appeals *En Banc* (CTA *EB*) in CTA EB No. 1827 for failure of petitioner Wellform Trading Corporation (petitioner) to sufficiently show that the CTA *EB* committed any reversible error in upholding the disallowance of its input value-added taxes (VAT) and finding petitioner liable for basic deficiency VAT in the amount of ₱16,028,352.12, with applicable surcharge and interests.

As correctly ruled by the CTA *EB*, the CTA may resolve related issues not raised by the parties but which are necessary to achieve an orderly disposition of the case.<sup>4</sup> Undoubtedly, the allowance or disallowance of claimed input VAT is a related issue to petitioner’s actual tax liability for the covered period. Moreover, the CTA *EB* was also correct in observing that cases before it are litigated *de novo*. This means that petitioner should prove every minute aspect of its case required for the successful prosecution of its claim,<sup>5</sup> which in this case includes the determination of its actual VAT liability net of its proven input VAT payments. As pointed out by the CTA *EB*, the invoicing requirements are clearly spelled out in Section 113 of the National Internal Revenue Code, as amended. Compliance therewith need not be spelled out in the Formal Assessment Notice (FAN) in order to apprise and bind petitioner. Hence, the latter cannot claim violation of due

<sup>1</sup> *Rollo*, pp. 3-16.

<sup>2</sup> *Id.* at 18-31. Penned by Associate Justice Cielito N. Mindaro-Grulla with Presiding Justice Roman G. Del Rosario and Associate Justices Juanito C. Castañeda Jr., Erlinda P. Uy, Esperanza R. Fabon-Victorino, Ma. Belen M. Ringpis-Liban, Catherine T. Manahan, Jean Marie A. Bacorro-Villena, and Maria Rowena Modesto-San Pedro, concurring.

<sup>3</sup> *Id.* at 33-38.

<sup>4</sup> Pursuant to A.M. No. 05-11-07-CTA of the Supreme Court entitled “REVISED RULES OF THE COURT OF TAX APPEALS” (December 15, 2005); and *CIR v. Lancaster Philippines, Inc.*, 813 Phil. 622-654 (2017).

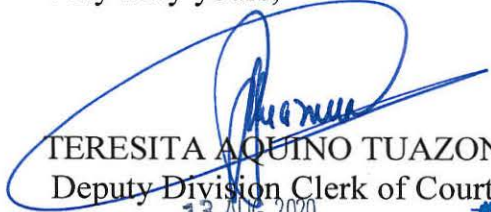
<sup>5</sup> See *CIR v. Univation Motor Philippines, Inc.*, G.R. No. 231581, April 10, 2019, citing *CIR v. Philippine National Bank*, 744 Phil. 299-312 (2014).

N/O

process. It is settled that the CTA's findings can only be disturbed on appeal if they are not supported by substantial evidence, or there is a showing of gross error or abuse on the part of the Tax Court,<sup>6</sup> which do not obtain in this case. Hence, the instant petition must be denied.

**SO ORDERED.”**

Very truly yours,

  
TERESITA AQUINO TUAZON  
Deputy Division Clerk of Court  
13 AUG 2020

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<sup>6</sup> *CIR v. Manila Electric Company (MERALCO)*, 735 Phil. 547-561 (2014).