



REPUBLIC OF THE PHILIPPINES  
SUPREME COURT  
Manila

SECOND DIVISION

**NOTICE**

Sirs/Mesdames:

*Please take notice that the Court, Second Division, issued a Resolution dated **March 1, 2023** which reads as follows:*

**“G.R. No. 256807 (COMMISSIONER OF INTERNAL REVENUE, Petitioner, v. WPP MARKETING COMMUNICATIONS, INC. [FORMERLY KNOWN AS J. WALTER THOMPSON COMPANY {PHILIPPINES}, INC.], Respondent).** — This Court resolves a Petition<sup>1</sup> where the Commissioner of Internal Revenue (CIR) questions the Decision<sup>2</sup> dated September 23, 2020 and Resolution<sup>3</sup> dated June 16, 2021, of the Court of Tax Appeals (CTA) *En Banc* in CTA EB No. 2034, that affirmed the October 19, 2018<sup>4</sup> and March 5, 2019<sup>5</sup> Resolutions of the CTA Division in CTA Case No. 9778. The CTA cancelled the tax assessments for the taxable year 1992 against WPP Marketing Communications, Inc. (WPP) on the ground of prescription.

**Antecedents**

The case spawned from Pre-Assessment Notices<sup>6</sup> dated December 19, 1995, issued to WPP for deficiency income tax and value-added tax (VAT) for 1992.

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<sup>1</sup> *Rollo*, pp. 18–34.

<sup>2</sup> *Id.* at 46–66. Penned by Associate Justice Juanito C. Castañeda, Jr. and concurred in by Presiding Justice Roman G. Del Rosario (concurrent in the result) and Associate Justices Erlinda P. Uy, Ma. Belen M. Ringpis-Liban, Catherine T. Manahan, Jean Marie A. Bacorro-Villena and Maria Rowena Modesto-San Pedro of the *En Banc*, Court of Tax Appeals, Quezon City.

<sup>3</sup> *Id.* at 68–72.

<sup>4</sup> *Id.* at 271–276.

<sup>5</sup> *Id.* at 294–304.

<sup>6</sup> BIR *records*, pp. 117–119.

On **January 15, 1996**, the CIR issued Demand Letters<sup>7</sup> and Assessment Notices<sup>8</sup> (FAN) showing deficiency taxes in the total amount of PHP 57,542,562.56. WPP protested the assessment on February 6, 1996,<sup>9</sup> and filed another letter-protest on August 5, 1998.<sup>10</sup> However, the CIR did not act on the protest.

Subsequently, on November 15, 2000, WPP filed an Application for Compromise Settlement of Delinquent Accounts with the CIR on the ground of doubtful validity of assessment.<sup>11</sup> No payment of the compromise offer, however, was made by WPP.<sup>12</sup> Then, on November 15, 2001, WPP re-filed the offer of compromise.<sup>13</sup>

On **August 15, 2016**, WPP received an undated Notice of Denial<sup>14</sup> of its application for compromise, stating that WPP's application had been disapproved by the National Evaluation Board. Accordingly, WPP was requested to pay the amount of PHP 57,542,562.56 and all increments within 15 days from receipt. WPP sought reconsideration of the Notice of Denial on August 30, 2016.<sup>15</sup> WPP also filed supplementary motions for reconsideration on October 27, 2016<sup>16</sup> and December 2, 2016.<sup>17</sup>

On December 2, 2016, WPP paid 40% of the assessed deficiency income tax and VAT, amounting to a total of PHP 11,668,957.11.<sup>18</sup>

On June 8, 2017, WPP received the second Notice of Denial<sup>19</sup> dated May 30, 2017, of the compromise offer. Again, WPP sought reconsideration<sup>20</sup> but was denied with finality in a letter dated **November 6, 2017**, and received by WPP on February 1, 2018.<sup>21</sup> Thus, on March 2, 2018, WPP instituted a Petition for Review with Urgent Motion to Suspend Collection of Taxes<sup>22</sup> with the CTA Division.

#### *Proceedings before the CTA*

In its petition, WPP argued that the CIR's right to collect deficiency income tax and VAT for the year 1992 had already prescribed. WPP averred that the filing of the protest and supplemental protest, and the application for compromise, did not suspend the running of the prescriptive period.

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<sup>7</sup> *Id.* at 121–126.

<sup>8</sup> *Id.* at 127–132.

<sup>9</sup> *Id.* at 133.

<sup>10</sup> *Id.* at 222–228.

<sup>11</sup> *Id.* at 803–805.

<sup>12</sup> CTA EB *rollo*, p. 144.

<sup>13</sup> BIR *records*, p. 898.

<sup>14</sup> *Rollo*, p. 139; BIR *Records*, pp. 961–963.

<sup>15</sup> BIR *records*, pp. 1074–1082.

<sup>16</sup> *Id.* at 984–987.

<sup>17</sup> *Id.* at 1035–1039.

<sup>18</sup> CTA EB *Rollo*, p. 144.

<sup>19</sup> BIR *records*, p. 1065.

<sup>20</sup> Letters dated June 23, 2017 (BIR *records*, pp. 1101–1108), September 6, 2017 (BIR *records*, pp. 1147–1149), and January 8, 2018 (CTA Division *rollo*, pp. 111–115).

<sup>21</sup> BIR *records*, pp. 1166–1167.

<sup>22</sup> CTA Division *rollo*, pp. 12–37.

Meanwhile, after filing an Answer, the CIR moved to dismiss the case on the ground that the petition had no cause of action and the CTA had no jurisdiction over the subject matter.<sup>23</sup> The CIR posited that WPP's arguments in the petition dwelled on its authority to enter into a compromise or abate the payment of taxes under Section 204 of the 1997 National Internal Revenue Code<sup>24</sup> (Tax Code). The exercise of this power is final and subject only to the oversight of Congress.

In its July 13, 2018 Resolution,<sup>25</sup> the CTA Division denied WPP's motion to suspend the collection of taxes and the CIR's motion to dismiss. The CTA found no urgent necessity to suspend the collection of tax since the CIR's action to collect the deficiency was not accompanied by any writs of levy or distraint on WPP's properties, which may jeopardize WPP's interest and prejudice its business. Furthermore, the CTA held that the issue of the CIR's power to compromise and abate falls under "other matters arising under the Tax Code," which the CTA is not precluded from taking cognizance of. Besides, the CIR's motion was filed out of time.

WPP filed a Partial Motion for Reconsideration (of the denial of the Motion to Suspend Collection of Taxes),<sup>26</sup> insisting that a motion to suspend collection is not required to be accompanied by a warrant of distraint or levy. A demand for payment is sufficient. WPP added that the alleged deficiency tax assessment is for the year 1992; therefore, the amount of interest, surcharges, and penalties will inevitably be bloated and result in a humungous and absurd amount. If collection is allowed, it will jeopardize the normal operations of WPP, thereby causing irreparable injury to its ability to continue the business. Furthermore, collecting the alleged tax deficiency is arbitrary, confiscatory, and unreasonable since the CIR's right to collect had already prescribed.

On October 19, 2018, the CTA Division issued a Resolution<sup>27</sup> finding in favor of WPP. Section 318<sup>28</sup> (now Section 203) of the Tax Code of 1977, as amended by Batas Pambansa Blg. 700,<sup>29</sup> the law applicable at the time, gives the CIR only three years to collect the deficiency tax. The FAN was issued on January 15, 1996; hence, the CIR had only until January 15, 1999 to enforce the collection of the alleged deficiency taxes. The CIR's first attempt to collect from WPP was on August 15, 2016, through the first Notice of Denial. However, no waivers of

<sup>23</sup> *Id.* at 186-196.

<sup>24</sup> Republic Act No. 8424, December 11, 1997.

<sup>25</sup> CTA Division *rollo*, pp. 239-243. The dispositive portion of the Resolution reads:

**WHEREFORE**, premises considered, petitioner's [WPP] Urgent Motion to Suspend Collection of Taxes and respondent's [CIR] Motion to Dismiss are hereby **DENIED** for lack of merit.

**SO ORDERED.**

<sup>26</sup> *Id.* at 244-252.

<sup>27</sup> *Id.* at 433-438.

<sup>28</sup> Sec. 318. Period of limitation upon assessment and collection. — Except as provided in the succeeding section, internal revenue taxes shall be assessed within three years after the last day prescribed by law for the filing of the return, and no proceeding in court without assessment for the collection of such taxes shall be begun after the expiration of such period: Provided, That in a case where a return is filed beyond the period prescribed by law, the three-year period shall be counted from the day the return was filed. For the purposes of this section, a return filed before the last day prescribed by law for the filing thereof shall be considered as filed on such last day.

<sup>29</sup> Entitled "AN ACT AMENDING SECTIONS 318 AND 319 OF THE NATIONAL INTERNAL REVENUE CODE, AS AMENDED, SO AS TO REDUCE THE PERIOD OF LIMITATION FOR ASSESSMENT OF INTERNAL REVENUE TAXES FROM FIVE (5) TO THREE (3) YEARS." Approved on April 5, 1984.

the statute of limitations were executed. Clearly, the CIR's right to collect the alleged deficiency income tax and VAT for the taxable year 1992 had already prescribed. The CTA disposed:

**WHEREFORE**, premises considered, petitioner's [WPP] Partial Motion for Reconsideration (on the denial of the Motion to suspend Collection of Taxes) is hereby **GRANTED**. Furthermore, based on the findings of this Court that the right of the respondent [CIR] to collect the alleged deficiency taxes had already prescribed, the Petition for Review is hereby **GRANTED**. Accordingly, any collection of the alleged deficiency tax assessment for TY 1992 is **DECLARED NULL AND VOID**.

**SO ORDERED.**<sup>30</sup> (Emphasis in the original)

The CTA denied the CIR's motion for reconsideration in its Resolution dated March 5, 2019.<sup>31</sup> Regarding the issue of jurisdiction, the CTA held that the letter dated November 6, 2017, and received by WPP on February 1, 2018, was deemed the final decision of the CIR on WPP's protest. WPP had 30 days therefrom to appeal to the CTA. Hence, the petition was timely filed on March 2, 2018. Anent prescription, the CTA ruled that WPP's protest and offer of compromise did not suspend the prescriptive period. WPP did not request reinvestigation; it merely asked that the "examiner's findings be properly reconsidered." Finally, the CTA ruled that it may resolve the case even without the conduct of the trial proper if, based on the pleadings submitted by the parties, prescription had already set in, as in this case. Thus:

**WHEREFORE**, premises considered, respondent's [CIR] Motion for Reconsideration re: Resolution dated 19 October 2018 is hereby **DENIED** for lack of merit.

**SO ORDERED.**<sup>32</sup> (Emphasis in the original)

The CIR elevated the matter to the CTA *En Banc*.<sup>33</sup>

On September 23, 2020, the CTA *En Banc* issued the assailed Decision<sup>34</sup> denying the CIR's petition. It echoed the CTA Division that the CIR's right to collect deficiency taxes was barred by prescription, applying the three-year period of limitation under Section 203 of the 1977 Tax Code. Since the FAN was issued on January 15, 1996, the CIR had three years or until January 15, 1999 to collect the deficiency income tax and VAT against WPP. The first attempt to collect the deficiency was made only on August 15, 2016—20 years later—when WPP received the first Notice of Denial of the offer of compromise.

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<sup>30</sup> *Rollo*, p. 275.

<sup>31</sup> CTA Division *rollo*, pp. 522–532.

<sup>32</sup> *Rollo*, p. 304.

<sup>33</sup> CTA *EB rollo*, pp. 7–25.

<sup>34</sup> *Id.* at 142–162. The dispositive portion of the Decision reads:

**WHEREFORE**, premises considered, the Petition for Review is **DENIED** for lack of merit. Accordingly, the October 19, 2018 and March 5, 2019 Resolutions are **AFFIRMED**.  
**SO ORDERED.**

The CTA *En Banc* denied the CIR's motion for reconsideration on June 16, 2021.<sup>35</sup>

Hence, this recourse.

The CIR insists that the government's right to collect deficiency income tax and VAT against WPP for 1992 has not yet prescribed. The three-year period was tolled when WPP requested a reinvestigation of the tax assessments, which the CIR impliedly granted. Further, the CIR claims that, on several instances, WPP asked the CIR to re-evaluate the assessment based on additional evidence to be submitted. The CIR added that WPP is estopped from raising the defense of prescription. After WPP received the FAN, it wrote letters to the BIR requesting extensions of time to submit additional documents to support its protest. WPP even filed an offer of compromise twice and filed several motions to reconsider the denial of the request. Moreover, WPP willingly paid PHP 11,668,957.11 as proof that it was ready to comply with the 40% minimum required amount for an acceptable compromise. If WPP had truly believed that the assessment was time-barred, it should not have paid this amount to compromise its tax liability.<sup>36</sup>

In its Comment/Opposition,<sup>37</sup> WPP echoes the CTA that the assessment had already prescribed. The protest letters it filed on February 6, 1996 and August 5, 1998 were requests for reconsideration that did not toll the running of the period to collect taxes. Even assuming the protest letters are in the nature of requests for reinvestigation, the CIR did not grant the requests. The CIR sat on them and waited for 19 years before making a demand to collect the deficiency taxes.

### Ruling

The Petition is meritorious.

There is no disagreement that the CIR tried to collect the alleged deficiency taxes for the year 1992 from WPP only on August 15, 2016, when it notified WPP that its application for compromise had been disapproved.<sup>38</sup> Interestingly, it took the CIR 20 years from the time it issued the FAN on January 15, 1996 to institute collection proceedings. The lapse of a considerable period of time, however, did not render the government's right to collect deficiency taxes time-barred.

The 1977 Tax Code, as amended,<sup>39</sup> the law applicable at the time, provides instances when the running of the statute of limitations to assess and collect

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<sup>35</sup> *Id.* at 194-198. The dispositive portion of the Resolution reads:

**WHEREFORE**, in view of the foregoing, petitioner's Motion for Reconsideration (Re: Decision dated 23 September 2020) is **DENIED** for lack of merit.

**SO ORDERED.**

<sup>36</sup> *Rollo*, pp. 18-34.

<sup>37</sup> *Id.* at 336-353.

<sup>38</sup> *Id.* at 139; BIR *records*, pp. 961-963.

<sup>39</sup> Entitled "AN ACT AMENDING SECTIONS 318 AND 319 OF THE NATIONAL INTERNAL REVENUE CODE, AS AMENDED, SO AS TO REDUCE THE PERIOD OF LIMITATION FOR ASSESSMENT OF INTERNAL REVENUE TAXES FROM FIVE (5) TO THREE (3) YEARS." Approved on April 5, 1984.

deficiency taxes could be suspended, even in the absence of a waiver duly executed by the taxpayer and the CIR, *viz.*:

SECTION 320. Suspension of running of statute.— The running of the statute of limitations provided in Section 318 and 319 on the making of assessment and the beginning of distraint or levy or a proceeding in court for **collection**, in respect of any deficiency, shall be **suspended** for the period during which the Commissioner is prohibited from making the assessment or beginning distraint or levy or a proceeding in court and for sixty days thereafter; **when the taxpayer requests for a reinvestigation which is granted by the Commissioner**; when the taxpayer cannot be located in the address given by him in the return filed upon which a tax is being assessed or collected[.]: (Emphasis supplied.)

Two things must concur: there must be a request for reinvestigation, and the CIR must have granted it.<sup>40</sup> The grant may be expressed in communications with the taxpayer or **implied** from the actions of the CIR or their duly authorized representatives in response to the request for reinvestigation.<sup>41</sup>

In its February 6, 1996 protest to the FAN,<sup>42</sup> WPP wrote:

We would like to raise a strong protest against these assessments for being highly arbitrary, unfair, unreasonable and without legal or factual basis.

Moreover, your Examiner came up with these assessments without even looking into our records nor discussing his findings with us. Otherwise, we could have presented to him evidences to prove that he erred in many of his conclusions.

May we therefore request that the matter be **re-investigated** and let us know when we can sit down with your examiner to discuss the matter.<sup>43</sup> (Emphasis supplied)

On June 23, 1997, the BIR directed WPP to “go over the findings, and in writing, make the necessary explanations, reconciliations, computations and/or comments with supporting records and/or documents for evaluation and verification purposes.”<sup>44</sup> In response, WPP requested for two extensions on July 25, 1997<sup>45</sup> and August 27, 1997<sup>46</sup> to submit the records and documents. On June 15, 1998, WPP requested “for additional time to refute the initial results of the **reinvestigation** conducted” by the BIR officer.<sup>47</sup>

<sup>40</sup> *China Banking Corp. v. Commissioner of Internal Revenue*, 753 Phil. 58, 67 (2015) [Per C.J. Sereno, First Division]; *Bank of the Philippine Islands v. Commissioner of Internal Revenue*, 571 Phil. 535, 544 (2008) [Per J. Tinga, Second Division].

<sup>41</sup> *Bank of the Philippine Islands v. Commissioner of Internal Revenue*, 510 Phil. 1, 26 (2005) [Per J. Chico-Nazario, Second Division].

<sup>42</sup> BIR records, p. 133.

<sup>43</sup> *Id.*

<sup>44</sup> *Id.* at 139.

<sup>45</sup> *Id.* at 140.

<sup>46</sup> *Id.* at 142.

<sup>47</sup> *Id.* at 143–148.

Then, in its letter-protest<sup>48</sup> dated August 5, 1998, WPP submitted evidence and arguments to support its protest filed in February 1996, *as agreed with officials of the BIR*, thus:

We refer to the various Demand Letters and Assessment Notices all numbered No. 34-14-000931-92 and dated January 15, 1996 (copies attached) covering [WPP's] deficiency income tax, expanded withholding tax (EWT) and value-added tax (VAT) liabilities in the respective amounts of P29,978,494.75, P1,100,089.07 and P27,564,067.81 (exclusive of compromise penalties) for the taxable year 1992.

**As agreed upon between your Mr. Ariston Ybañez and Ms. Juliet Tubilla and our Ms. Dina Cortez, we hereby submit on behalf of our client, [WPP] the following arguments (in addition to what our client has earlier submitted per its protest letter of February 5, 1996) protesting the subject assessments.**

x x x x

In support of our position **we have attached a copy of BIR Ruling No. 294-92.**

x x x x

For your reference, **we have enclosed sample copies of the employment contracts of the aforementioned casual/contractual employees, marked as "Annex A."**

x x x x

In support of our position, **we have attached a copy of the Service Agreement and the Certificate of Registration of said Agreement with the Bureau of Patents, Trademark and Technology Transfer, marked as "Annex B."**

With respect to reason no. 2, we shall submit the required external auditor's certification as soon as we have received the same from JWTP.

x x x x

x x x **We have attached a copy of R.A. No. 3676.**

x x x x

For your reference, **we have attached the assembly sheet showing the re-grouping made by the auditors, marked as "Annex C."**

x x x x

In support of our position, **we have attached sample invoices covering the project related expenses incurred by [WPP] in connection with its advertising business which were all issued in the name of the advertisers/clients, marked as "Annex D."**

In view of all the foregoing, we reiterate that [WPP] is not liable for the above deficiency assessments for income tax, expanded withholding tax and value-added tax for the taxable year 1992 and that **the examiner's findings be properly**

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<sup>48</sup> *Id.* at 222-228.

**reconsidered in light of the arguments and supporting documents we have submitted.**<sup>49</sup> (Emphasis supplied)

WPP wrote another letter on February 26, 1999,<sup>50</sup> submitting additional documents and explanations:

Further to our protest letter of August 4, 1998 and to the various meetings between your Ms. Julieta P. Tubilla and our Ms. Dina Cortez, we respectfully submit the following additional documents and explanations.

x x x x

In support of the above expenses, we enclose copies of page 1 of our client's Alphabetical List of BIR Form 1743 for the calendar year 1992 and our client's cancelled checks evidencing payments of the said professional fees.

x x x x

x x x For your reference, we have enclosed sample copies of said third party documents (i.e., cash vouchers, sales invoices, production invoices, purchase orders, billing invoices, statement of accounts and official receipts).<sup>51</sup>

The foregoing indicates that after WPP's protest letter on February 6, 1996, the CIR, through its duly authorized representatives, agreed to re-evaluate WPP's deficiency taxes by allowing WPP to submit additional documents supporting its protest. WPP's actions suggest that the CIR impliedly granted WPP's request for reinvestigation, thereby suspending the statute of limitations to collect taxes.

Moreover, WPP is estopped from claiming prescription.

In *Collector of Internal Revenue v. Suyoc Consolidated Mining Co.*,<sup>52</sup> we applied the doctrine of estoppel against the taxpayer who made several requests or positive acts to convince the government to postpone collecting taxes.

It appears that the first assessment made against respondent based on its second final return filed on November 28, 1946 was made on February 11, 1947. Upon receipt of this assessment respondent requested for at least one year within which to pay the amount assessed although it reserved its right to question the correctness of the assessment before actual payment. Petitioner granted an extension of only three months. When it failed to pay the tax within the period extended, petitioner sent respondent a letter on November 28, 1950 demanding payment of the tax as assessed, and upon receipt of the letter respondent asked for a reinvestigation and reconsideration of the assessment. When this request was denied, respondent again requested for a reconsideration on April 25, 1952, which was denied on May 6, 1953, which denial was appealed to the Conference Staff. The appeal was heard by the Conference Staff from September 2, 1953 to July 16, 1955, and as a result of these various negotiations, the assessment was finally reduced on July 26, 1955. This is the ruling which is now being questioned after a

<sup>49</sup> *Rollo*, pp. 127-133.

<sup>50</sup> *BIR records*, pp. 797-798.

<sup>51</sup> *Id.*

<sup>52</sup> 104 Phil. 819 (1958) [Per J. Bautista Angelo].



protracted negotiation on the ground that the collection of the tax has already prescribed.

It is obvious from the foregoing that **petitioner refrained from collecting the tax by distraint or levy or by proceeding in court within the 5-year period from the filing of the second amended final return due to the several requests of respondent for extension to which petitioner yielded to give it every opportunity to prove its claim regarding the correctness of the assessment.** Because of such requests, several reinvestigations were made and a hearing was even held by the Conference Staff organized in the collection office to consider claims of such nature which, as the record shows, lasted for several months. After inducing petitioner to delay collection as he in fact did, it is most unfair for respondent to now take advantage of such desistance to elude his deficiency income tax liability to the prejudice of the Government invoking the technical ground of prescription.

While we may agree with the Court of Tax Appeals that a mere request for reexamination or reinvestigation may not have the effect of suspending the running of the period of limitation for in such case there is need of a written agreement to extend the period between the Collector and the taxpayer, there are cases however where a taxpayer may be prevented from setting up the defense of prescription even if he has not previously waived it in writing as **when by his repeated requests or positive acts the Government has been, for good reasons, persuaded to postpone collection to make him feel that the demand was not unreasonable or that no harassment or injustice is meant by the Government.** And when such situation comes to pass there are authorities that hold, based on weighty reasons, that such an attitude or behavior should not be countenanced if only to protect the interest of the Government.

This case has no precedent in this jurisdiction for it is the first time that such has risen, but there are several precedents that may be invoked in American jurisprudence. As Mr. Justice Cardozo has said: "The applicable principle is fundamental and unquestioned. 'He who prevents a thing from being done may not avail himself of the nonperformance which he has himself occasioned, for the law says to him in effect "this is your own act, and therefore you are not damnified.'" "(R. H. Stearns Co. vs. U.S., 78 L. ed., 647). Or, as was aptly said, "The tax could have been collected, but the government withheld action at the specific request of the plaintiff. The plaintiff is now estopped and should not be permitted to raise the defense of the Statute of Limitations." [Newport Co. vs. U.S., (DC-WIS), 34 F. Supp. 588].<sup>53</sup> (Emphasis supplied.)

Here, in addition to letter-protest<sup>54</sup> dated August 5, 1998, WPP filed three more letters requesting for re-examination and/or evaluation of documents that would support its protest: 1) letters dated February 5, 1999<sup>55</sup> and February 22, 1999,<sup>56</sup> requesting for an extension of 5 days to submit additional documents to support its August 5, 1998 letter-protest; 2) letter dated February 26, 1999, submitting additional documents and explanations in support of the protest;<sup>57</sup> and 3) letter dated November 8, 2000, requesting that the examination of various documents be deferred until November 15, 2000.<sup>58</sup> We cannot also lose sight of

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<sup>53</sup> *Id.* at 822-824.

<sup>54</sup> BIR *Records*, pp. 222-228.

<sup>55</sup> *Id.* at 229.

<sup>56</sup> *Id.* at 230.

<sup>57</sup> *Id.* at 797-798.

<sup>58</sup> *Id.* at 802.

the fact that WPP filed several motions for reconsideration of the Notice of Denial of its offer for compromise. All things considered, by WPP's persistent acts, the CIR was convinced to postpone the collection of deficiency taxes.

Finally, WPP paid 40% of the assessed deficiency income tax and VAT, amounting to PHP 11,668,957.11, on December 2, 2016.<sup>59</sup> Therefore, WPP's insistent claim that the CIR's right to collect has already prescribed is inconsistent with its payment of the compromise offer. For indeed, WPP would have no obligation to pay under a prescribed tax assessment.

**FOR THESE REASONS**, the Petition for Review on *Certiorari* is **GRANTED**. The Court of Tax Appeals *En Banc*'s Decision dated September 23, 2020 and Resolution dated June 16, 2021 in CTA EB No. 2034, are **REVERSED**. Accordingly, CTA Case No. 9778 is **REMANDED** to the Court of Tax Appeals in Division for the continuation of the trial and the determination of respondent WPP Marketing Communications, Inc.'s liability for deficiency taxes for the taxable year 1992. The Court of Tax Appeals in Division is **DIRECTED** to conduct the proceedings with reasonable dispatch.

The Court resolves to:

1. **GRANT** the motion to withdraw appearance as counsel dated December 29, 2022 of Atty. Jose Patrick S. Rosales of Cabrera & Company, praying for the withdrawal of his appearance as counsel for respondent WPP Marketing Communications, Inc. due to professional reasons and contract termination, and for all Court processes to be sent directly to respondent or to any counsel who may subsequently enter appearance for the respondent; and
2. **REQUIRE** respondent WPP Marketing Communications, Inc. to inform the Court of the name and address of its new counsel, and said counsel to enter their appearance within ten (10) days from notice.

**SO ORDERED."**

By authority of the Court:

  
**TERESITA AQUINO TUAZON**  
Division Clerk of Court 10/27

27 OCT 2023

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<sup>59</sup> CTA EB Rollo, p. 144.

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(CTA Case No. 3778)

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