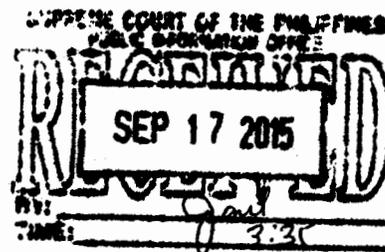




Republic of the Philippines  
Supreme Court  
Manila

FIRST DIVISION

NOTICE



Sirs/Mesdames:

*Please take notice that the Court, First Division, issued a Resolution dated August 10, 2015 which reads as follows:*

**“G.R. No. 205602 (Avon Products Manufacturing, Inc. v. Commissioner of Internal Revenue). -**

After a judicious review of the records, the Court resolves to **DENY** the instant petition and **AFFIRM** the January 29, 2013 Decision<sup>1</sup> of the Court of Tax Appeals (CTA) in CTA EB No. 840 for failure of petitioner Avon Products Manufacturing, Inc. (petitioner) to show that the CTA committed any reversible error in denying its claim for the refund of excise taxes paid for colognes and body sprays containing three percent (3%) or less weight of essential oils.

As correctly found by the CTA *En Banc*, Revenue Regulation (RR) No. 8-84, which deals with the percentage tax on cosmetic products under Section 194 (renumbered to Section 163) of the 1977 National Internal Revenue Code (NIRC), may not be used to implement Section 150 (b) of the 1997 NIRC, as amended, which pertains to the imposition of excise tax. Albeit the words “toilets waters” remain unchanged, the change in the nature of the tax from percentage tax to excise tax pursuant to Executive Order No. 273 is an effective repeal of Section 194 (renumbered to Section 163) of the 1977 NIRC. Therefore, the policy determinations made by the Secretary of Finance attending the implementing rule under the old provision on percentage tax, *i.e.*, RR No. 8-84, cannot be made to apply to the current provision on excise tax, *i.e.*, Section 150 (b) of the 1997 NIRC,

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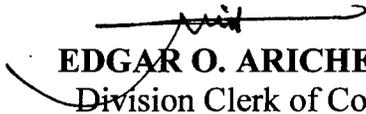
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<sup>1</sup> *Rollo*, pp. 63-78. Penned by Associate Justice Esperanza R. Fabon-Victorino with Acting Presiding Justice Juanito C. Castañeda, Jr. and Associate Justices Erlinda P. Uy, Caesar A. Casanova, and Cielito N. Mindaro-Grulla concurring. Associate Justices Lovell R. Bautista and Amelia R. Cotangco-Manalastas maintaining their votes on the CTA Division’s October 5, 2011 Amended Decision.

as amended. Well-settled is the rule that rule-making power must be confined to details for regulating the mode or proceeding to carry into effect the law as it has been enacted. The power cannot be extended to amending or expanding the statutory requirements or **to embrace matters not covered by the statute.**<sup>2</sup> Hence, with these considerations, it is up to the Secretary of Finance to issue a new implementing rule relative to the current nature of the tax on toilet waters; absent which, the general interpretation of the statute accorded by the Bureau of Internal Revenue should prevail.

**SO ORDERED.”**

Very truly yours,

  
**EDGAR O. ARICHETA**  
Division Clerk of Court

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(CTA EB Case No. 840; CTA Case  
No. 7635)

The Solicitor General (x)  
Makati City

The Hon. Secretary  
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<sup>2</sup> *Belgica v. Ochoa, Jr.*, G.R. Nos. 208566, 208493, and 209251, November 19, 2013, 710 SCRA 1, 122; citations omitted.