



Republic of the Philippines
Supreme Court
Manila

THIRD DIVISION

NOTICE

Sirs/Mesdames:

*Please take notice that the Court, Third Division, issued a Resolution dated **October 7, 2020**, which reads as follows:*

“G.R. No. 217695 (Kepco Philippines Corporation, Petitioner, vs. Bureau of Internal Revenue, Respondent.) – For consideration of the Court are the two Motions to Resolve filed by petitioner Kepco Philippines Corporation (Kepco), on 18 July 2018¹ and 04 December 2019.²

Kepco filed a Petition for Review Under Rule 45³ of the Rules of Court seeking to reverse and set aside the Decision⁴ dated 03 November 2014 and Resolution⁵ dated 31 March 2015 of the Court of Tax Appeals (CTA) in CTA EB No. 1155 entitled, “Kepco Philippines Corporation v. The Commissioner of Internal Revenue,” with respect to the assessment made by the Bureau of Internal Revenue (BIR) for the taxable year 2007. The Petition was submitted for decision after the BIR and Kepco filed their Comment⁶ and Reply,⁷ respectively.

During the pendency of the Petition, Kepco availed of the BIR’s compromise settlement program under Section 204(A) of the National Internal Revenue Code.⁸ Pursuant thereto, Kepco paid a total amount of

¹ *Rollo*, pp. 166-169.

² *Id.* at pp. 171-174.

³ *Id.* at pp. 3-20.

⁴ *Id.* at pp. 22-34

⁵ *Id.* at pp. 35-38

⁶ *Id.* at pp. 60-79.

⁷ *Id.* at pp. 82-98

⁸ Section 204. Authority of the Commissioner to Compromise, Abate and Refund or Credit Taxes. – The Commissioner may –

- (A) Compromise the payment of any internal revenue tax, when:
- (1) A reasonable doubt as to the validity of the claim against the taxpayer exist; or
 - (2) The financial position of the taxpayer demonstrates a clear inability to pay the assessed tax.

The compromise settlement of any tax liability shall be subject to the following minimum amounts:

P260,848,425.80⁹ to the BIR. Consequently, the National Evaluation Board (NEB), composed of the BIR Commissioners and four (4) Deputy Commissioners, approved the compromise for the taxable years 2006, 2007 and 2009. Finally, on 11 December 2017, the BIR issued a Certificate of Availment (Compromise Settlement)¹⁰ certifying that the NEB approved Kepco's application for compromise settlement for the taxable years 2006, 2007 and 2009.

Thus, Kepco prays that this case be dismissed and considered closed and terminated.¹¹

We GRANT Kepco's prayer for dismissal of the instant Petition. The compromise settlement between the BIR and Kepco is a supervening event which rendered the case moot and academic.

Where a case has become moot and academic, there is no more justiceable controversy, so that a declaration thereon would be of no practical value. A case becomes moot and academic when, by virtue of supervening events, there is no more actual controversy between the parties and no useful purpose can be served in passing upon the merits. Since they are constituted to pass upon substantial rights, courts of justice will not consider questions where no actual interests are involved. As a rule, courts decline jurisdiction over such cases or dismiss them on the ground of mootness.¹²

WHEREFORE, as prayed for, the Petition is **DISMISSED** for being moot and academic.

SO ORDERED."

By authority of the Court:

Mis D C Batt
MISAELO DOMINGO C. BATTUNG III
Division Clerk of Court *4/2/17*

For cases of financial incapacity, a minimum compromise rate equivalent to ten percent (10%) of the basic assessed tax; and

For other cases, a minimum compromise rate equivalent to forty percent (40%) of the basic assessed tax.

Where the basic tax involved exceeds One million pesos (P1,000,000) or where the settlement offered is less than the prescribed minimum rates, the compromise shall be subject to the approval of the Evaluation Board which shall be composed of the Commissioner and the four (4) Deputy Commissioners. x x x

⁹ *Rollo*, p. 114.

¹⁰ *Id.* at 162.

¹¹ *Id.* at pp. 113-119.

¹² *Stradcom Corporation v. Laqui*, G.R. No. 172712, 21 March 2012, 685 Phil. 37-48 (2012).

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