

Tax court grants refund claim of Petron on alkylate imports

THE Court of Tax Appeals (CTA) has granted Petron Corp.'s appeal to refund its wrongly paid excise tax on alkylate gas imports totaling P44 million for the period covering October 2016 to January 2017.

In a 35-page decision dated Sept. 28, the CTA Special Second Division cited a Supreme Court (SC) ruling that ruled alkylate does not fall under substances that are subject to excise tax mandated under the Tax Code.

The law imposes taxes on naphtha gas, regular gasoline and similar products of distillation,

but not on the raw materials and ingredients that compose them.

"Considering the foregoing, it is now beyond dispute that alkylate is not a product of distillation similar to naphtha and regular gasoline; hence, not subject to excise tax," Associate Justice Jean Marie A. Bacorro-Villena said in the ruling.

The appellate court noted that alkylate was a product of another process called alkylation and not distillation.

"Based on the petitioner's (Petron) evidence that respon-

dent (commissioner of internal revenue) failed to rebut and disprove, the court is convinced that alkylate is indeed not a product of distillation but of alkylation," it said.

Petron backed its claim by submitting customs payment receipts, statements of settlement of duties and taxes, and bills of lading.

The High Court in March granted a separate refund claim of the firm in the amount of P219.15 million paid in 2012, based on the same conclusion.

In July, the tax court granted a separate Petron refund claim in the amount of P20 million, upholding the SC jurisprudence.

"Substantial justice dictates that the government should not keep money that does not belong to it," the tax court said.

"Taking all the above circumstances together, it is evident that the petitioner was able to sufficiently establish, by a preponderance of evidence, that it is entitled to the refund or credit of the total amount of P44 million." — **John Victor D. Ordoñez**

Concepcion Industrial partners with JS Global to distribute Shark and Ninja home appliances

LISTED home and buildings solutions provider Concepcion Industrial Corp. (CIC) has partnered with JS Global APAC Pte. Ltd. for the exclusive distribution of Shark and Ninja branded products in the country.

"Our commitment to improving the lives of Filipino consumers is perfectly aligned with JS Global APAC's mission to redefine home appliances that offer real solutions for real life," CIC Chairman and Chief Executive Officer Raul Joseph A. Concep-

cion said in a regulatory filing on Monday.

CIC described Shark and Ninja products as globally recognized brands in the home appliance space. The "innovative" product range to be launched in the Philippine market would include those used in hair styling, kitchen tasks, and home cleaning.

According to CIC, the introduction of Shark and Ninja products to the Philippine market "is expected to revo-

lutionize the way consumers approach home maintenance and cooking."

"SharkNinja is renowned for its dedication to reimagining everyday household appliances and creating products that make life easier, more efficient, and more enjoyable. Similar to CIC, SharkNinja's legacy dates back several decades," CIC said.

"Behind SharkNinja is a proud history of being a pioneer in small household appliances in America, which grew into a portfolio of

trusted and global home appliance brands driving rapid growth and innovation across multiple categories in the United States and United Kingdom markets," it added.

CIC logged a 33% increase in its first-half consolidated net income to P350.3 million as the company's net sales jumped 8% to P7.2 billion.

Shares of CIC at the local bourse were last traded on Oct. 6 at P15.34 apiece. — **Revin Mikhael D. Ochave**



DMITRY BERDNYK-UNSPASH

SEC,
from S1/1

According to the business groups, the current fee collections of the SEC far exceed the cost of its operations.

"Proof of this includes the purchase of its own building in Makati commercial business district reportedly costing about P2.5 billion, in addition to about 90 commercial parking slots estimated at about P1 million per slot," they said.

The business groups also cited the case of Philippine Association of Stock Transfer and Registry Agencies, Inc. versus Court of Appeals in which the Supreme Court held that "fee increases that have far-reaching effects on the capital market should be frowned upon."

They also cited the case of First Philippine Holdings Corp. (FPHC) versus SEC in 2020 when the Supreme Court declared the fees imposed by the SEC for application of amended articles of incorporation as invalid and unreasonable for being arbitrary.

The current fee proposal by the SEC is even higher than the relevant fees struck down by the Supreme Court in the case of FPHC, they added.

"Fees that far exceed the costs of regulation are beyond the authority and power of the SEC to impose," they said.

The business groups also noted the SEC's proposal to impose "unconscionable" increases on fees may discourage new investments in the country.

"The increased cost of doing business will also hurt small and medium enterprises covered by SEC due to the ripple effects of the fee increases," they added.

Sought for comment, the SEC is yet to respond as of press time.

Aside from the PCCI and MAP, the statement was also signed by the Philippine Retailers Association, Philippine Franchise Association, Chamber of Thrift Banks, Philippine Exporters Confederation, Inc., Federation of Filipino Chinese Chambers of Commerce and Industry, Inc., Employers Confederation of the Philippines, Philippine Association of Legitimate Service Contractors, Strategic ADR Institute for Strategic and International Studies, and Philippine Food Processors and Exporters Organization, Inc. — **Justine Irish D. Tabile**

BUSINESSWORLD B-SIDE

PHL's battle against fake news on West Philippine Sea

CHINA'S increased aggression in the South China Sea has made it more challenging for the Philippines, now regarded as an Asian middle power, to ignore the situation, an analyst said.

On Aug. 5, the Chinese Coast Guard, backed by its maritime militia and People's Liberation Army ships, fired water cannons to block a resupply mission to a Philippine military outpost on Second Thomas Shoal. The shoal is located about 200 kilometers from the Philippine island of Palawan and over 1,000 kilometers from China's nearest major landmass, Hainan Island.

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Oil,
from S1/1

The surge in oil prices reversed last week's downtrend — the largest weekly decline since March — in which Brent fell about 11% and WTI retreated more than 8% as a darkening macroeconomic outlook intensified concerns about global demand.

"If the crisis escalates either by affecting other economies or if other economies get involved, we will likely see higher oil prices as Israel is very near oil-producing nations," China Banking Corp. Chief Economist Domini S. Velasquez said in a Viber message.

Mr. Roces noted that the positioning of global superpowers in the conflict "could either mitigate or exacerbate oil supply concerns."

Raymond T. Zorrilla, senior vice-president for external affairs of Phoenix Petroleum Philippines, Inc., said that since Israel is a marginal oil producer, recent developments may have "little" direct impact on oil supply.

"However, given the ensuing tension there might be a risk that the conflict could spread resulting in prolonged tension eventually impacting supply and pricing," he said in a Viber message.

Mr. Roces said that rising oil prices would impact input costs and fuel inflationary pressures.

Headline inflation quickened to 6.1% in September, the fastest print in five months. This brought the nine-month average inflation to 6.6%, above the central bank's 5.8% full-year forecast.

In September, gasoline inflation accelerated by 3% while

diesel inflation rose by 3.8%. Fuels and lubricants for personal transport equipment account for 2.4% of the consumer price index (CPI) basket.

"In response, central banks may again tighten monetary policies, such as raising interest rates, to combat rising inflation, which could have its own set of economic consequences," Mr. Roces added.

Apart from oil prices, Ms. Velasquez noted that remittance inflows into the Philippines may also be impacted.

"Remittances from the Middle East might also get affected especially if it becomes too dangerous for overseas Filipinos," she said.

Saudi Arabia is the country's third-biggest source of remittances.

Rizal Commercial Banking Corp. Chief Economist Michael L. Ricafort also noted the possibility of Iran's involvement in the conflict.

"The Israel-Hamas war over the weekend partly weighed on global market sentiment amid geopolitical risks that could involve Iran, which is a major global oil producer and finances and supports Hamas," he said in a Viber message.

"All told, the conflict is in its early stages, and at this point market reactions seem to be knee jerk. Nonetheless, this has the risk of complicating economic conditions globally and as such we must monitor this closely." — **with Reuters**

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