Republic of the Philippines
Department of Health
FOOD AND DRUG ADMINISTRATION

FDA ADVISORY
No. 2023-0256

10 FEB 2023

TO : **ALL CONCERNED STAKEHOLDERS**

SUBJECT : **EFFECTIVITY OF UPDATES ON THE LIST OF VAT-EXEMPT HEALTH PRODUCTS**

Section 12 of Republic Act No. 11534 known as the *"Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act"* provided Value-Added Tax (VAT) Exemption to certain health products including, Drugs for Hypertension, Cancer, Mental Illnesses, Tuberculosis, Kidney Diseases, Diabetes, High Cholesterol, and COVID-19 medicines and medical devices. Pursuant to the said law, the Food and Drug Administration (FDA) is directed to identify and transmit the VAT-Exempt Health products to other implementing agencies such as the Bureau of Internal Revenue (BIR), Bureau of Customs and Department of Trade and Industry.

Relative thereto, the FDA has issued FDA Advisory (FA) No.2021-2293[1] which provided the public the initial list of VAT-Exempt Health Products pursuant to Republic Act No. 11534, otherwise known as the "Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act", and FA No.2022-0136[2] which provided the Frequently Asked Questions (FAQs) such as submission of request and reference on the updated/latest VAT-Exempt list.

Currently, the FDA transmits an endorsement letter containing updates on the said list and its effectivity to the BIR, for approval and preparation of the Revenue Memorandum Circular (RMC) which shall be posted on the BIR website for public reference. However, the RMC provides that the effectivity of updates is the date of publication of FDA, to wit *"As clarified under Q&A No. 1 of RMC No. 99-2021, the effectivity of the VAT exemption of covered medicines and medical devices under the CREATE ACT shall take effect on the date of publication by the FDA of the updates to the said list*".

In compliance with the above provision, the effectivity of succeeding updates pertaining to the List of VAT-Exempt Health Products pursuant to the CREATE Act, shall be the date of publication of FDA Advisory containing the signed endorsement letter to BIR. Further, provided in the Annex is the signed endorsement letter dated 04 January 2023, containing the latest updates on the List of VAT-Exempt Health Products, effective upon the issuance of this Advisory.

For more information and inquiry regarding this Advisory, kindly contact the FDA Policy and Planning Service via email at pps@fda.gov.ph.

Dissemination of this Advisory to all concerned is kindly requested.

DR. SAMUEL A. ZACATE
Director General

1 List of VAT-Exempt Products pursuant to Republic Act No. 11534, otherwise known as the "Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act"
2 List of VAT-Exempt Health Products pursuant to Republic Act No. 11534, otherwise known as the "Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act" and Frequently Asked Questions (FAQs)

Annex A
BIR Endorsment Letter Dated 04 January 2023

Republic of the Philippines
Department of Health
FOOD AND DRUG ADMINISTRATION

04 January 2023

ROMEO D. LUMAGUI, JR.
Commissioner
Bureau of Internal Revenue
Quezon City

SUBJECT: Endorsement of the Updates to the List of VAT-Exempt Products under Republic Act Nos. 10963 and 11534

Dear **Commissioner Lumagui:**

With reference to the Implementing Guidelines on the Value-Added Tax (VAT) Exemption on Several Health Products provided under Joint Administrative Order (JAO) No. 2-2018 dated 21 December 2018 and JAO No. 2021 -0001 dated 23 June 2021, may we provide you with the updates to the "List of VAT-Exempt Drugs for Hypertension, Cancer, Mental Illnesses, Tuberculosis, Kidney Diseases, Diabetes, and High Cholesterol". Further, DOH Department Memorandum No. 2021-0280 provided that all documents with reference to the VAT-Exempt list of all COVID-19 related medicines and medical devices shall be forwarded to the FDA. Listed hereunder are the updates as of 04 January 2023.

I. For Inclusion

A. Medicines for COVID-19 Treatment

Generic Name	Dosage Strength	Dosage Form
Budesonide + Formoterol Fumarate Dihydrate	200 mcg/6 mcg	Metered Dose Pressurized Inhalation Suspension
Budesonide + Formoterol Fumarate Dihydrate	80 mcg/ 4.5 mcg per Actuation	Inhalation Aerosol (Pressurized Suspension for Inhalation)
Budesonide + Formoterol Fumarate Dihydrate	160 mcg/4.5 mcg per Actuation	Inhalation Aerosol (Pressurized Suspension for Inhalation)
Budesonide + Formoterol Fumarate Dihydrate	400 mcg/ 12 mcg	Dry Powder for Inhalation
Budesonide + Formoterol Fumarate Dihydrate	400 mcg/ 12 mcg	Dry Powder for Inhalation in Capsule

B. Medical Devices for COVID-19 Treatment

Category	Product
Respiratory Devices and its Accessories	Inhalation Sedation and Equipment

Should you have any questions/clarifications, kindly address them to the FDA Policy and Planning Service at pps@fda.gov.ph.

Thank you very much.

Very truly yours,

DR. SAMUEL A. ZACATE
Director General