

ADVISORY ON THE EXPIRATION OF THE VAT EXEMPTION GRANTED TO COVID-19 DRUGS, VACCINES, AND EQUIPMENTS FOR COVID-19 PREVENTION, INCLUDING MASKS AND LABORATORY GOWNS

PAGE NOS.

BIR REVENUE MEMORANDUM CIRCULAR 1
NO. 7-2024

Reversion of Value-Added Tax
Exemption of Transactions Specified
Under Section 109(BB) of the 1997
NIRC, as amended

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Reversion of VAT-Exemption of Specific Transactions

The following transactions under Section 109(BB) of the 1997 NIRC, as amended, shall **no longer be exempt from VAT effective January 1, 2024**:

- Capital equipment, its spare parts and raw materials, necessary for the production of personal protective equipment components such as coveralls, gown, surgical cap, surgical mask, N-95 mask, scrub suits, goggles and face shield, double or surgical gloves, dedicated shoes, and shoe covers, for COVID-19 prevention;
- All drugs, vaccines and medical devices specifically prescribed and directly used for the treatment of COVID-19; and
- Drugs for the treatment of COVID-19 approved by the Food and Drug Administration (FDA) for use in clinical trials, including raw materials directly necessary for the production of such drugs: Provided, That the Department of Trade and Industry (DTI) shall certify that such equipment, spare parts or raw materials for importation are not locally available or insufficient in quantity, or not in accordance with the quality or specification required: Provided, further, That for item (ii), within sixty (60) days from the effectivity of this Act, and every three (3) months thereafter, the Department of Health (DOH) shall issue a list of prescription drugs and medical devices covered by this provision: Provided, finally, That the exemption claimed under this subsection shall be subject to post audit by the Bureau of Internal Revenue or the Bureau of Customs as may be applicable.

Source:

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