



Republic of the Philippines
Department of Health
OFFICE OF THE SECRETARY

16 September 2021

DEPARTMENT CIRCULAR

No. 2021 – 0432

TO : **DIRECTORS OF CENTERS FOR HEALTH DEVELOPMENT (CHDs), CHIEFS OF MEDICAL CENTERS, HOSPITALS, SANITARIA, EXECUTIVE DIRECTORS OF SPECIALTY HOSPITALS, MINISTER OF HEALTH – BANGSAMORO AUTONOMOUS REGION IN MUSLIM MINDANAO (MOH-BARMM), LOCAL GOVERNMENT UNITS (LGU) HEALTH FACILITIES AND OTHERS CONCERNED**

SUBJECT : **PRICES OF VALUE-ADDED TAX UNDER THE DRUG PRICE REFERENCE INDEX (DPRI) 2021**

Pursuant to Republic Act No. 11534, otherwise known as the “*Corporate Recovery and Tax Incentives for Enterprises Act*” or “*CREATE*”, the sale or importation of drugs prescribed for cancer, mental illnesses, tuberculosis, and kidney disease shall be exempt from VAT beginning January 1, 2021. Further, the sale and importation of all drugs, vaccines and medical devices specifically prescribed and directly used for treatment of COVID-19 shall also be exempted from VAT beginning January 1, 2021 to December 31, 2023.

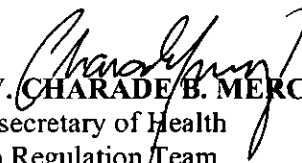
In light of the above, we reiterate that health facilities must deduct the 12% VAT on the DPRI Price under the 2021 DPRI (9th edition).

All Centers for Health Development (CHD) and the Ministry of Health – Bangsamoro Autonomous Region in Muslim Mindanao (MOH-BARMM) are hereby directed to disseminate this information to their respective Provincial Hospitals, Municipal Hospitals, City Hospitals and Local Government Units and extend necessary assistance thereafter.

For any concerns and inquiries, you may contact Mr. Achilles V. Aragona or Mr. John Lester Custodio at (02) 875-7734 or 875-7264 local 253.

For strict and prompt compliance.

By the authority of the Secretary of Health,


ATTY. CHARADE B. MERCADO-GRANDE
Undersecretary of Health
Health Regulation Team