



Republic of the Philippines
Department of Health
OFFICE OF THE SECRETARY

1 April 2022

DEPARTMENT CIRCULAR

No. 2022 – 0309

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 : **CLARIFICATION ON THE PRICES OF VALUE-ADDED TAX UNDER THE DRUG PRICE REFERENCE INDEX (DPRI) 2021 9th EDITION**

Pursuant to Republic Act 11534 or the CREATE Act, 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 the treatment of COVID-19 shall also be exempted from VAT beginning January 1, 2021, to December 31, 2023.

In the above light, may we reiterate that the health facilities shall deduct the 12% VAT on the DPRI Price under the 2021 DPRI (9th edition) since the law only became effective on January 1, 2021, while the 2021 DPRI is based on the 2020 procurement.


For medicines prescribed for diabetes, high cholesterol, and hypertension under the Republic Act No. 10963 also known as the “Tax Reform for Acceleration and Inclusion (TRAIN)” the health facilities shall not deduct the 12% VAT on the 2021 DPRI 9th Edition since the said law took effect on January 1, 2019.

All Centers of Health Development (CHDs) and 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