

CLIENT ADVISORY

Implementation of Section 4(o) of the Bayanihan To Heal as One Act

Q: What are the BIR issuances implementing Section 4(o) of Republic Act No. 11469 (“Bayanihan to Heal as One Act”) on health care equipment and supplies?

A: The BIR released the following issuances implementing the provisions of Republic Act No. 11469, known as the *Bayanihan to Heal as One Act* (“RA 11469”) on healthcare equipment and supplies:

Issuance	Subject Matter
Revenue Regulations No. 6-2020 dated 27 March 2020 (“RR 6-2020”)	This implements Section 4(o) ⁱ of RA 11469 and covers the exemption from Value Added Tax, Excise Tax, and other fees over critical or needed healthcare equipment or supplies intended to combat the COVID-19 public health emergency.
Revenue Memorandum Order (“RMO”) No. 10-2020 dated 30 March 2020	In relation to RR No. 6-2020, the issuance provides the guidelines related to the importations of critical or needed health equipment and supplies to address the current public health emergency, and the mandate for the release thereof from customs custody without the need of an ATRIG.

Q: What are the activities, equipment or supplies exempted from taxes under RA 11469?

A: The following shall be **exempt** from Value Added Tax, Excise Tax, and other fees, as follows:

1. Importation of critical or needed healthcare equipment or supplies intended to combat the COVID-19 public health emergency, including, but are not limited to:
 - a. personal protective equipmentⁱⁱ;
 - b. laboratory equipment and its reagent;
 - c. medical equipment and devices;
 - d. support and maintenance for laboratory and medical equipment, surgical equipment and supplies;
 - e. medical supplies, tools, and consumablesⁱⁱⁱ;
 - f. [COVID-19] testing kits; and
 - g. such other supplies or equipment as may be determined by the Department of Health and other relevant government agencies;
2. Importation of materials needed to produce health equipment supplies deemed as critical or needed to address the current public health emergency; provided that

the importing manufacturer is included in the Master List of the Department of Trade and Industry and other incentive granting bodies.

Donations of the imported articles under items (1) and (2) to and for the use of the National Government or any entity created by any of its agencies which is not conducted for profit, or to any political subdivision of the said Government are **exempt from Donor's Tax, and subject to the ordinary rules of deductibility under the existing rules and regulations.**

Q: Is an Authority to Release Imported Goods (ATRIG) required for the release of the tax-exempt imported goods under RA 11469 and RR No. 6-2020?

A: An ATRIG is not required for the Importation of critical or needed healthcare equipment or supplies intended to combat the COVID-19 public health emergency as enumerated above.

However, for the importation of materials needed to produce the health equipment and supplies deemed as critical or needed to address the current public emergency, ATRIG is not needed, provided that the importing manufacturer is included in the Master List of the Department of Trade and Industry and other incentive granting bodies.

Please note that the BIR will conduct post investigation/audit based on the BOC's list of importers who made the said importations after the ECQ period.

Q: When is the ATRIG exemption effective?

A: The ATRIG exemption shall take effect immediately but shall only cover importations which arrived and were cleared by the Bureau of Customs within the three-month period of the effectivity of the Act unless extended or withdrawn by Congress or ended by Presidential Proclamation.

Disclaimer: The information in this article is for general information only and is not intended nor should be construed as a substitute for legal advice on any specific matter. A professional legal advice is still advisable and necessary.

ⁱ (o) Liberalize the grant of incentives for the manufacture or importation of critical or needed equipment or supplies for the carrying-out of the policy declared herein, including healthcare equipment and supplies: Provided; That importation of these equipment and supplies shall be exempt from import duties, taxes, and other fees;

ⁱⁱ i.e., gloves, gowns, masks, goggles, face shields, surgical equipment and supplies

ⁱⁱⁱ i.e., alcohol, sanitizers, tissue, thermometers, hand soap, detergent, sodium hydrochloride, cleaning materials, povidone iodine, common medicines, such as paracetamol tablet and suspension, mefenamic acid, vitamin tablet and suspension, hyoscine tablet and suspension, oral hydration solution, and cetirizine tablet and suspension.