

Philippines grants incentives to importers and local manufacturers of "Critical Health Equipment and Supplies"

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Since the declaration of a state of public health emergency and calamity throughout the Philippines, and the imposition of an Enhanced Community Quarantine over the entire island of Luzon, the Philippine Government has implemented certain measures to ease the burden brought about by COVID-19 to various businesses.

The Philippine Bureau of Customs (BOC) released Customs Administrative Order (CAO) No. 07-2020, the central issuance that implements Section 4 (o) of the *Bayanihan to Heal as One Act*, the source law that grants tax exemptions to address the current health emergency.

The measure provides tax, duty and customs fee exemptions to importers of "critical health equipment and supplies," as well as to local manufacturers that import equipment and materials needed to produce such items.

This is particularly relevant to importers and local manufacturers of personal protective equipment (such as gloves, gowns, masks, goggles, face shields, surgical equipment and supplies), laboratory equipment, medical equipment and devices, support and maintenance for laboratory and medical equipment, surgical equipment and supplies, medical supplies, tools and consumables (such as alcohol, sanitizers, tissue, thermometers, hand soap, detergent, and common medicines, among others), COVID-19 testing kits, and other items as may be identified by the country's Health Department.

To qualify for exemption, importers must apply for the necessary Tax-Exempt Indorsements or TEIs and/or accreditations, whichever is applicable, from the relevant government agencies.

The exemption applies to all importations made within three months from the effectivity of the Act (*i.e.*, until 23 June 2020 or three months from its publication and immediate effective date of 25 March 2020), unless extended by Congress.

For additional information with respect to this Alert, please contact the following:

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