

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City
NINETEENTH CONGRESS
Second Regular Session

HOUSE BILL NO. **9070**



Introduced by REP. RUWEL PETER S. GONZAGA

EXPLANATORY NOTE

It is the policy of the State to protect and promote the right to health of the people and instill health consciousness among them. Likewise, the state shall adopt an integrated and comprehensive approach to health development which shall endeavor to make essential goods, health, and other social services available to all people at all cost.

As mentioned in Executive Order No. 155, Republic Act (RA) No. 9502 or the "Universally Accessible Cheaper and Quality Medicines Act of 2008," declares the adoption of appropriate measure to promote and ensure access to affordable quality drugs and medicines for all.

The concerted effort of the Executive Branch and the Legislative Branch of the Government in attempt to lower the cost of drugs and medicines by the advent of the Cheaper Medicine Act and Administrative Order 2005-001: Supplemental Guidelines to Administrative Order No. 144 series 2004, entitled; Guidelines for the Establishment and Operations of Botika ng Barangays (BnB) and Pharmaceutical Distribution (PDNs) relative to the inclusion of other drugs which are classified as Prescription Drugs and other related matters.

By including certain drugs and medicines to be fully exempted from the Value added Tax would mean the reduction of health-related out-of-pocket expenses of our citizens that somehow result to leading cause of morbidity in the country.

Hence, the passage of this bill is earnestly sought.


RUWEL PETER S. GONZAGA

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AN ACT
LOWERING THE COST OF PRESCRIPTION DRUGS AND MEDICINES, AMENDING
FOR THE PURPOSE SECTION 109 OF THE NATIONAL INTERNAL REVENUE CODE OF
1997, AS AMENDED

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. *Short Title* – This Act shall be known as the "Affordable Medicines Act."

SECTION 2. Section 109 of the National Internal Revenue Code of 1997, as amended, is hereby further amended to read as follows:

"SEC. 109. *Exempt Transactions.* –

"(1) Subject to the provisions of Subsection (2) hereof, the following transactions shall be exempt from the value-added tax:

"(A) xxx;

"xxx;

"(AA) Sale of or importation of prescription drugs and medicines for:

"(i) Diabetes, high cholesterol, and hypertension beginning January 1, 2020;

and

"(ii) Cancer, mental illness, tuberculosis, and kidney diseases beginning January 1, 2021.

"PROVIDED, THAT THE VAT EXEMPTION UNDER THIS SUBSECTION SHALL APPLY TO THE SALE OR IMPORTATION OF ALL PRESCRIPTION DRUGS AND MEDICINES BEGINNING JANUARY 1, 2024: *Provided, FURTHER,* That the DOH shall issue a list of approved drugs and medicines for this purpose within sixty (60) days from the effectivity of this Act; and

"xxx"

SECTION 3. *Implementing Rules and Regulations (IRR).* – Within thirty (30) days from the effectivity of this Act, the Secretary of Health, and the Secretary of Finance, upon the recommendation of the Commissioner of Internal Revenue, shall promulgate the necessary rules and regulations for its effective implementation.

SECTION 4. *Repealing Clause.* – All laws, acts, decrees, executive orders, issuances, and rules and regulations or parts thereof which are contrary to and inconsistent with this Act are hereby repealed, amended, or modified accordingly.

SECTION 5. *Effectivity.* – This Act shall take effect fifteen (15) days after its complete publication in the *Official Gazette* or in at least two (2) newspapers of general circulation.

Approved,