

TWENTIETH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)



HOUSE OF REPRESENTATIVES
HOUSE BILL No. 6112

INTRODUCED BY HON. RICARDO S. CRUZ, JR.

EXPLANATORY NOTE

The Constitution mandates that 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 the people at affordable cost.” This is also consistent with our country’s commitment to the World Health Organization’s International Health Regulations and the Sustainable Development Goals (SDGs), particularly, SDG 3, which requires the State to ensure healthy lives and promote well-being for all at all ages. However, many public health facilities in the country are still in need of sufficient medical devices and equipment to properly diagnose and treat medical conditions.

The Philippine medical equipment market still remains heavily reliant on imports, as most of our medical equipment are sourced from abroad.¹ These imported medical equipment are subjected to three percent (3%) customs duty, in addition to twelve percent (12%) value-added tax (VAT). These fiscal impositions add to the already expensive costs for medical diagnosis and health care in the country.

According to the Philippine Health Facility Development Plan (2020-2024), many health facilities across the country still lack essential medical equipment such as CT scans, MRIs, X-rays, and Medical Linear Accelerator (LINAC) machines,

¹ International Trade Administration, US Dept. of Commerce. (2024). Country Commercial Guides | Philippines-Healthcare| *Medical Devices*.
<https://www.trade.gov/country-commercial-guides/philippines-healthcare>

particularly in areas outside Metro Manila.² This restricts timely and equitable access to health care, especially in underserved regions.

This proposed measure seeks to address these gaps by exempting from customs duties and taxes the importation of medical devices and equipment intended for medical research, diagnosis, or treatment for five (5) years. The Department of Health (DOH) will determine the specific devices and equipment covered by this exemption to ensure that only essential technologies are prioritized. After the exemption period, regular tax rates shall resume, subject to policy review.

The enactment of this bill represents a timely and necessary step to make health care services more affordable and accessible, promote advancements in medical research, and improve diagnostic capabilities for all Filipinos.

In line with the policy adopted by its original proponent Senator Pia S. Cayetano, this bill therefore serves as a counterpart measure. It is for the reasons stated above that the passage of this measure is earnestly sought.


RICARDO S. CRUZ, JR.

² Department of Health. (2020). Philippine Health Facility Development Plan 2020-2040. Manila, Philippines: Department of Health

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AN ACT
EXEMPTING THE IMPORTATION OF MEDICAL DEVICES AND EQUIPMENT
FROM CUSTOMS DUTY AND VALUE-ADDED TAX FOR A PERIOD OF FIVE (5)
YEARS

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 "Tax-Free Importation of Medical Devices and Equipment Act".

Sec. 2. *Declaration of Policy.* — It is the declared policy of the State to protect and promote the health of Filipinos and instill health consciousness among them. The State shall endeavor to lessen, if not remove, the costs burdened upon Filipinos when accessing health care and medical services. Towards this end, the State shall adopt fiscal measures to encourage the entry of medical devices and equipment in the country to, among others, aid in affordable medical diagnoses and treatment, and facilitate development and innovation in medical research that would provide accurate and effective medical treatment in the country.

Sec. 3. *Relief from Customs Duty and Value-Added Tax on the Importation of Medical Devices and Equipment.*³ — The importation of the following are hereby exempted from customs duty and value-added tax (VAT) for a period of five (5) years from the effectivity of this Act:

- a) Any medical device or equipment intended for medical research;

³ Irish Tax and Customs CDPN 16

<http://www.revenue.ie/en/customs/leaflets/relief-for-importationmedical-equipment.html>

- b) Any medical device or equipment intended for medical research, establishing medical diagnoses, or intended for medical treatment purchased with public funds;
- c) Any medical device or equipment intended for medical research, establishing medical diagnoses, or intended for the medical treatment of its patients purchased by private hospitals or medical institutions; and
- d) Any spare parts, components, and accessories designed for the upgrading, maintenance, inspection, calibration or repair of the medical device or equipment.

Sec. 4. *List of Devices and Equipment* — The DOH shall determine and provide a list of medical devices and equipment that shall be covered by the tax exemption under this Act: *Provided*, That such list shall be limited to medical devices and equipment of similar nature or classification as those enumerated under Section 3 of this Act.

Sec. 5. *Prior Approval from the Food and Drug Administration.* — Pursuant to Republic Act No. 9711, otherwise known as the "Food and Drug Administration Act of 2009", the consignee shall obtain an import permit or clearance from the Food and Drug Administration (FDA) for the imported medical device or equipment before the availment of the tax exemption from customs duty and value-added tax as provided under this Act.

Sec. 6. *Separability Clause.* — If any portion or provision of this Act is declared unconstitutional, the remainder of this Act or any provisions not affected thereby shall remain in force and effect.

Sec. 7. *Repealing Clause.* — Any law, presidential decree or issuance, executive order, letter of instruction, rule or regulation inconsistent with the provisions of this Act is hereby repealed or modified accordingly.

Sec. 8. *Effectivity.* — This Act shall take effect after fifteen (15) days following its complete publication in the Official Gazette or a newspaper of general circulation.

Approved,