



REPUBLIC OF THE PHILIPPINES  
Department of Finance  
Department of Trade and Industry



JOINT MEMORANDUM CIRCULAR NO. 2020-02  
Series of 2020

**FOR :** ALL ENTERPRISES ENGAGED IN THE MANUFACTURE OR PRODUCTION OF MEDICINES, MEDICAL SUPPLIES AND EQUIPMENT AND PACKAGING AND THEIR RELATED RAW MATERIALS

**SUBJECT :** GUIDELINES ON THE OPERATIONS AND INCENTIVES OF COVERED ENTERPRISES ENGAGED IN THE MANUFACTURE, IMPORTATION, AND DISTRIBUTION OF CERTAIN PRODUCTS, AND FOR OTHER PURPOSES, PURSUANT TO REPUBLIC ACT NO. 11469, OTHERWISE KNOWN AS "BAYANIHAN TO HEAL AS ONE ACT"

**DATE :** 28 March 2020

**1.0 Legal Basis**

Presidential Proclamation No. 922, s. 2020, was issued declaring a State of Public Health Emergency throughout the Philippines and prompting a whole-of-government approach in addressing the Corona Virus Disease 2019 (COVID-19) situation.

In view of the continuing rise of confirmed cases of COVID-19, the serious threat to the health, safety, security, and lives of our countrymen, the long-term adverse effects on their means of livelihood, and the severe disruption of economic activities; Republic Act No. 11469 otherwise known as "Bayanihan to Heal as One Act" was enacted on March 25, 2020 declaring a state of national emergency over the entire country.

Under Section 4 (o), (p) and (q) of the Bayanihan to Heal as One Act, the President of the Republic of the Philippines is authorized, among others, to:

- a. 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;
- b. Ensure the availability of essential goods, in particular medicine, by adopting measures as may be necessary to facilitate and/or minimize disruption to the supply chain to the maximum extent possible; and
- c. Require businesses to prioritize and accept contracts, subject to fair and reasonable terms, for materials and services necessary to promote the herein declared national policy.

Page 1 Of 5  
Guidelines on the Operations and Incentives of Covered Enterprises engaged in the Manufacture, Importation, and Distribution of certain products, and for other purposes, Pursuant to RA 11469

CERTIFIED TRUE PHOTOCOPY

ANGELICA ISABEL P. ISNANI  
Head, Records Section  
Department of Trade & Industry

One of the declared policies under the “Bayanihan to Heal as One Act” is to partner with the private sector and other stakeholders to deliver these measures and programs quickly and efficiently;

The Memorandum from the Executive Secretary dated 28 March 2020 for the *Implementation of Temporary Emergency Measures under Republic Act No. 11469 otherwise known as “Bayanihan to Heal as One Act*, states that, President Rodrigo Roa Duterte hereby authorizes the following officials to do the following acts:

- a. Item D.6. The Secretary of the Department of Finance (DOF), to implement the following:

Facilitate, in the most expeditious manner possible: (a) the grant of exemption of importation of critical or needed equipment or supplies from import duties, taxes and other fees; and (b) the simplified release of said imported goods. In this regard, he may require the incentive granting bodies of the National Government, in coordination with the DOH, to issue a master list of manufacturers or importers of equipment or supplies which have been granted incentives.

- b. Item E.2. The Secretary of Trade and Industry (DTI), to do the following actions:

In coordination with the DOF Secretary, 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. The importation of these equipment and supplies shall be exempt from import duties, taxes and other fees

## 2.0 Coverage.

- 2.1 **Covered Products.** This JMC shall apply to the production or manufacturing of the following products:

- 1.1.1. Medicine identified as critical and necessity by the Department of Health;
- 1.1.2. Medical Equipment and devices such as test kits, thermometers, thermal scanners, ventilators;
- 1.1.3. Personal Protective Equipment (PPE) such as helmets, masks, goggles, gloves, foot cover, face shields, gowns, as well as other garments or equipment designed to protect the user against health or safety risks;
- 1.1.4. Surgical equipment and supplies;
- 1.1.5. Laboratory equipment and its reagents;
- 1.1.6. Support and maintenance for laboratory and medical equipment;
- 1.1.7. Medical supplies, tools, and consumables such as alcohol, sanitizers, tissue, hand soap, detergent, sodium hydrochloride, cleaning materials, povidone iodine, and common medicines (e.g. paracetamol tablet and suspension, mefenamic acid, vitamins tablet and suspension, hyoscine tablet and suspension, oral rehydration solution, and cetirizine tablet and suspension);
- 1.1.8. Such other supplies or equipment as may be determined by the Department of Health (DOH) and other relevant government agencies;

Raw materials and packaging materials, including raw materials thereof, exclusively used for the production of the products enumerated in 1.1.1 to 1.1.8 above shall likewise be covered.

The classification of the covered products or any articles needed in the supply chain thereof, such as capital equipment, spare parts and accessories, raw materials, packaging and its raw materials under the corresponding AHTN chapters of the Customs Modernization and Tariff Act (CMTA) is as listed in **Annex A** of this Joint Memorandum Circular (JMC).

**2.2 Covered Enterprises.** The enterprises comprising the supply chain to ensure availability of the covered products are as follows:

- 2.2.1** Manufacturer or producer;
- 2.2.2** Suppliers of raw materials;
- 2.2.3** Manufacturer of packaging materials; and
- 2.2.4** Suppliers of raw materials for the packaging;

**3.0 Exemption from Import Duties, Taxes, and Fees**

Regardless of the country of origin, importation by the covered enterprises of the raw materials, packaging and its raw materials, or any articles needed in the supply chain of the covered products, such as capital equipment, spare parts and accessories, shall be exempt from import duties, taxes and fees such as import processing fees and other fees imposed by the Bureau of Customs (BOC), Food and Drug Administration and other relevant agencies. The concerned agencies shall issue the relevant regulations for this purpose.

Provided that such importations are reasonably needed and will be used exclusively by the covered enterprises in the manufacture of the covered products; Provided further that the said importations are ordered, loaded or are in transit during the effectivity of this Executive Order.

**4.0 Applicability.** The exemption under item 3.0 above shall apply to the following:

- 4.1** importation of covered products by covered enterprises;
- 4.2** importations for use in manufacturing activities in partnership with government agencies for the production of covered products which are necessary to address the COVID-19 emergency;
- 4.3** importations by hospital and other private health institutions of the covered products; and
- 4.4** local sales of covered enterprises in compliance with the export suspension under item 7.0 hereof.

**5.0 Accreditation of Covered Enterprises and Authority to Import Covered Products.**

To ensure implementation of this Order, the DTI through the Board of Investments (BOI) is hereby authorized to issue accreditation certificate to covered enterprises and an authority to import for covered products.



CERTIFIED TRUE PHOTOCOPY

  
ANGELICA ISABEL P. ISNANI  
Head, Records Section  
Department of Trade & Industry

## 6.0 Customs Procedures.

The covered enterprise shall:

- 6.1 submit to the DOF Revenue Office the documentary requirements in support of the tax exemption including the completed DOF Form 91, import documents (Airway bill/Bill of Lading), Commercial invoice (including Packing List, if available), Affidavit of End-Use, and the BOI Certificate of Authority (CA), after 12 April 2020 or upon the lifting of the Enhanced Community Quarantine, for the issuance of the Tax Exemption Indorsement (TEI);
- 6.2 for purposes of release of the shipment under Section 403 in relation to Section 411 of the Customs Modernization and Tariff Act (CMTA), file a provisional import entry declaration with the Bureau of Customs (BOC) supported by the Commercial Invoice, Bill of Lading, BOI CA as well as other applicable documents required by the Bureau of Customs; and
- 6.3 submit to the BOC the TEI within forty-five (45) days from lodgment of entry.

The BOC shall accord **SUPER GREEN LANE** courtesy to the covered products under 6.2 hereof and the final assessment of the goods within twenty-four (24) hours from online filing of goods declarations.

The BOC shall submit a daily report of all importations covered by this JMC to the DOF for statistical and monitoring purposes.

## 7.0 Suspension of Export Requirement.

The export requirement imposed under the laws administered by relevant Investment Promotion Agencies (IPA) is hereby suspended. The export enterprises that manufacture the covered products shall supply at least eighty percent (80%) of their daily production to the procuring entity determined under RA No. 11469, government institutions, hospitals, and private establishments in the country for local or domestic use.

The local sales of such export enterprises shall be deemed and treated as "export sales" in compliance of their export requirement. As such, the corresponding treatment, exemption on duties, taxes and fees, and other incentives warranted under the existing laws governing these export enterprises shall continue to apply. Further, if such export enterprises are located in special economic zones with status of separate customs territory under relevant laws, such local sales shall likewise be exempt under Item 3.0 hereof. For this purpose, the DTI-BOI or concerned IPA shall monitor the compliance of said export enterprises.



**8.0 Availability of Covered Products.**

To ensure the availability and adequate supply of the covered products, the covered enterprises shall:

- 8.1 continue their operations in full capacity;
- 8.2 partner with government agencies for the manufacture of covered products;
- 8.3 prioritize and accept procurement contracts under fair and reasonable terms for the supply and delivery of the covered products; and
- 8.4 comply with all relevant health and safety protocols issued by relevant agencies.

**9.0 Effectivity.** This JMC shall take effect immediately and shall remain in effect only during the effectivity of Republic Act No. 11469.

For guidance.

01 April 2020, Makati City, Philippines.



**CARLOS G. DOMIGUEZ III**  
Secretary of Finance



**RAMON M. LOPEZ**  
Secretary of Trade and Industry



**REY LEONARDO B. GUERRERO**  
Commissioner of Customs



**CEFERINO S. RODOLFO**  
DTI Undersecretary and BOI Managing head

CERTIFIED TRUE PHOTOCOPY



**ANGELICA ISABEL P. ISNANI**  
Head, Records Section  
Department of Trade & Industry

Covered Products

2017 AHTN Code	Description
<b>22</b>	<b>Beverages, spirits and vinegar</b>
22.07	Undenatured ethyl alcohol of an alcoholic strength by volume of 80% vol. or higher; ethyl alcohol and other spirits, denatured, of any strength
2207.10.00	- Undenatured ethyl alcohol of an alcoholic strength by volume of less than 80% vol. or higher
22.08	Undenatured ethyl alcohol of an alcoholic strength by volume of less than 80% vol.; spirits, liqueurs and other spirituous beverages.
2208.90	- Other
	- - Other
2208.90.99	- - - Other
<b>28</b>	<b>Inorganic chemicals; organic or inorganic compounds of precious metals, of rare-earth metals, of radio-active elements or of isotopes</b>
<b>29</b>	<b>Organic chemicals</b>
<b>30</b>	<b>Pharmaceutical Products</b>
<b>33</b>	<b>Essential oils and resinoids; perfumery, cosmetic or toilet preparations</b>
33.02	Mixtures of odoriferous substances and mixtures (including alcoholic solutions) with a basis of one or more of these substances, of a kind used as raw materials in industry; other preparations based on odoriferous substances, of a kind used for the manufacture of beverages.
33.05	Preparations for use on the hair.
3305.10	- Shampoos
3305.10.10	- - Having anti-fungal properties
3305.10.90	- - Other
33.06	Preparations for oral or dental hygiene, including denture fixative pastes and powders; yarn used to clean between the teeth (dental floss), in individual retail packages
33.07	Pre-shave, shaving or after-shave preparations, personal deodorants, bath preparations, depilatories and other perfumery, cosmetic or toilet preparations, not elsewhere specified or included; prepared room deodorisers, whether or not perfumed or having disinfectant properties.
<b>34</b>	<b>Soap; organic surface-active agents, washing preparations, lubricating preparations, artificial waxes, prepared waxes, polishing or scouring preparations, candles and similar articles, modelling pastes, "dental waxes" and dental preparations with a basis of plaster</b>
34.01	Soap; organic surface-active products and preparations for use as soap, in the form of bars, cakes, moulded pieces or shapes, whether or not containing soap; organic surface-active products and preparations for washing the skin, in the form of liquid or cream and put up for retail sale, whether or not containing

CERTIFIED TRUE PHOTOCOPY

ANGELICA ISABEL P. ISNANI  
 Head, Records Section  
 Department of Trade & Industry

- soap; paper, wadding, felt and nonwovens, impregnated, coated or covered with soap or detergent.
- 34.02 Organic surface-active agents (other than soap); surface-active preparations, washing preparations (including auxiliary washing preparations) and cleaning preparations, whether or not containing soap, other than those of heading 34.01.
- 35** **Albuminoidal substances; modified starches; glues; enzymes**  
35.07 Enzymes; prepared enzymes not elsewhere specified or included.
- 37** **Photographic or cinematographic goods**  
37.02 Photographic films in rolls, sensitised, unexposed, of any material other than paper, paperboard or textiles; instant print film in rolls, sensitised, unexposed  
3702.10.00 - For X-ray  
- Other film, without perforations, of a width exceeding 105 mm:  
3702.42 -- Of a width exceeding 610 mm and of a length exceeding 200m, other than for colour photography:  
3702.42.10 --- Of a kind suitable for use in medical, surgical, dental or veterinary sciences or the printing industry  
  
- Other film, for colour, photography (polychrome):  
3702.54 -- Of a width exceeding 16 mm but not exceeding 35 mm and of a length not exceeding 35 mm and of a length not exceeding 30 , other than for slides:  
3702.54.40 --- Of a kind suitable for used in medical, surgical, dental or veterinary sciences of in the printing industry  
3702.55 - - Of a width exceeding 16 mm but not exceeding 35 mm and of a length exceeding 30 m:  
3702.55.50 --- Of a kind suitable for used in medical, surgical, dental or veterinary sciences of in the printing industry
- 37.04 Photographic plates, film, paper, paperboard and textiles, exposed but not developed.  
3704.00.10 - X-ray plates or film
- 37.05 Photographic plates and film, exposed and developed, other than cinematographic film  
3705.00.10 - X-ray
- 38** **Miscellaneous chemical products**  
38.08 Insecticides, rodenticides, fungicides, herbicides, anti-sprouting products and plant-growth regulators, disinfectants and similar products, put up in forms or packings for retail sale or as preparations or articles (for example, sulphur-treated bands, wicks and candles, and fly-papers).  
- Goods specified in Subheading Note 1 to this Chapter:  
3808.59 -- Other:  
3808.59.60 --- Disinfectants  
  
3808.94 -- Disinfectants:  
3808.94.10 --- Containing mixtures of coal tar acid and alkalis  
3808.94.20 --- Other, in aerosol containers  
3808.94.90 --- Other

- 38.22 Diagnostic or laboratory reagents on a backing, prepared diagnostic or laboratory reagents whether or not on a backing, other than those of heading 30.02 or 30.06; certified reference materials.
- 3822.00.90 - Other
- 39** **Plastics and articles thereof; rubber and articles thereof**  
 excluding 39.22 Baths, shower-baths, sinks, wash-basins, bidet, lavatory pans, seats and covers, flushing cisterns and similar sanitary ware, of plastics
- excluding 39.24 Tableware, kitchenware, other household articles and hygienic or toilet articles, of plastics.
- excluding 39.25 Builders' ware of plastics, not elsewhere specified or included.
- 39.26 Other articles of plastics and articles of other materials of headings 39.01 to 39.14.
- 3926.20 - Articles of apparel and clothing accessories (including gloves, mittens and mitts):
- 3926.20.90 -- Other
- 3926.90 - Other:
- Hygienic, medical and surgical articles:
- 3926.90.39 --- Other
- Safety and protective devices:
- 3926.90.49 --- Other
- Other:
- 3926.90.92 --- Empty capsules of a kind suitable for pharmaceutical use
- 40** **Rubber and articles thereof (including raw materials of rubber)**
- 40.01 Natural rubber, balata, gutta-percha, guayule, chicle and similar natural gums, in primary forms or in plates, sheets or strip.
- 40.02 Synthetic rubber and factice derived from oils, in primary forms or in plates, sheets or strip; mixtures of any product of heading 40.01 with any product of this heading, in primary forms or in plates, sheets, or strip.
- 40.14 Hygienic or pharmaceutical articles (including teats), of vulcanised rubber other than hard rubber, with or without fittings of hard rubber.
- 4014.90 - Other:
- 4014.90.40 -- Stoppers for pharmaceutical use
- 4014.90.50 -- Finger stalls
- 4014.90.90 -- Other
- 40.15 Articles of apparel and clothing accessories (including gloves, mittens and mitts), for all purposes, of vulcanised rubber other than hard rubber.
- Gloves, mittens and mitts :
- 4015.11.00 -- Surgical
- 4015.19.00 -- Other
- 44** **Wood and articles of wood; wood charcoal**

- 44.15 Packing cases, boxes, crates, drums and similar packings, of wood; cable-drums of wood; pallets, box pallets and other load boards, of wood; pallet collars of wood.
- 48**  
48.03 **Paper and paperboard; articles of paper pulp, of paper or of paperboard**  
Toilet or facial tissue stock, towel or napkin stock and similar paper of a kind used for household or sanitary purposes, cellulose wadding and webs of cellulose fibres, whether or not creped, crinkled, embossed, perforated, surface-coloured, surface-decorated or printed, in rolls or sheets.
- 48.18 Toilet paper and similar paper, cellulose wadding or webs of cellulose fibres, of a kind used for household or sanitary purposes, in rolls of a width not exceeding 36 cm, or cut to size or shape; handkerchiefs, cleansing tissues, towels, tablecloths, serviettes, bed sheets, and similar household, sanitary or hospital articles, articles of apparel and clothing accessories, of paper pulp, paper, cellulose wadding or webs of cellulose fibres
- 4818.10.00 - Toilet paper  
4818.20.00 - Handkerchiefs, cleaning or facial tissues and towels
- 48.19 Cartons, boxes, cases, bags and other packing containers, of paper, paperboard, cellulose wadding or webs of cellulose fibres; box files, letter trays, and similar articles, of paper or paperboard of a kind used in offices, shops or the like.
- 52**  
52.04 **Cotton**  
Cotton sewing thread, whether or not put up for retail sale.
- 54**  
54.01 **Man-made filaments; strip and the like of man-made textile materials**  
Sewing thread of man-made filaments, whether or not put up for retail sale.
- 55.08 Sewing thread of man-made staple fibres, whether or not put up for retail sale
- 59**  
59.06 **Impregnated, coated, covered or laminated textile fabrics; textile articles of a kind suitable for industrial use**  
Rubberised textile fabrics, other than those of heading 59.02.  
- Other  
5906.99 - - Other:  
5906.99.10 - - - Rubberised sheeting suitable for hospital use
- 62**  
62.10 **Articles of apparel and clothing accessories, not knitted or crocheted**  
Garments, made up of fabrics of heading 56.02. 56.03, 59.06 or 59.07  
6210.10 - Of fabrics of heading 56.02 or 56.03  
- - Protective work garments  
6210.10.19 - - - Other  
6210.50 - Other women's or girls' garments:  
6210.50.90 - - Other
- 63**  
6307.90 **Other made-up textile articles; sets; worn clothing and worn textile articles; rags**  
- Other :  
6307.90.40 - - Surgical masks  
6307.90.90 - - Other

- 65 Headgear and parts thereof**  
65.06 Other headgear, whether or not lined or trimmed.  
6506.10 - Safety headgear:  
6506.10.90 - - Other  
- Other :  
6506.91.00 - - Of rubber or of plastics  
6506.99 - - Of other materials :
- 70 Glass and Glassware**  
70.17 Laboratory, hygienic or pharmaceutical glassware, whether or not graduated or calibrated.
- 84 Nuclear reactors, boilers, machinery and mechanical appliances; parts thereof**
- 84.18 Refrigerators, freezers and other refrigerating or freezing equipment, electric or other; heat pumps other than air conditioning machines of heading 85.15.  
8418.50 - Other furniture (chests, cabinets, display counters, show-cases and the like) for storage and display, incorporating refrigerating or freezing equipment :  
- - Display counters, show-cases and the like, incorporating refrigerating equipment, of a capacity exceeding 200l:  
8418.50.11 - - - Of a kind suitable for medical, surgical or laboratory use  
8418.50.91 - - - Of a kind suitable for medical, surgical or laboratory use
- 84.19 Machinery, plant or laboratory equipment, whether or not electrically heated (excluding furnaces, ovens and other equipment of heading 85.14), for the treatment of materials by a process involving a change of temperature such as heating, cooking, roasting, distilling, rectifying, sterilising, pasteurising, steaming, drying, evaporating, vaporising, condensing or cooling, other than machinery or plant of a kind used for domestic purposes; instantaneous or storage water heaters, non-electric.  
8419.20.00 - Medical, surgical or laboratory sterilisers
- 84.21 Centrifuges, including centrifugal dryers; filtering or purifying machinery and apparatus for liquids and gases  
- Filtering or purifying machinery and apparatus for liquids:  
- - Other:  
8421.29.10 - - - Of a kind suitable for medical, surgical or laboratory use
- 90 Optical, photographic, cinematographic, measuring, checking, precision, medical or surgical instruments and apparatus; clocks and watches; musical instruments; parts and accessories thereof.**
- 90.04 Spectacles, goggles and the like, corrective, protective or other.  
9004.90 - Other:  
9004.90.50 - - Protective goggles  
9004.90.90 - - Other
- 90.06 Photographic (other than cinematographic) cameras; photographic flashlight apparatus and flashbulbs other than discharge lamps of heading 85.39  
9006.30.00 - Cameras specifically designed for underwater use, for aerial survey or for medical or surgical examination of internal organs, comparison cameras for forensic or criminological purposes

- 90.10 Apparatus and equipment for photographic (including cinematographic) laboratories, not specified or included elsewhere in this Chapter; negatoscopes; projection screens.
- 9010.50 - Other apparatus and equipment for photographic (including cinematographic) laboratories; negatoscopes
- 9010.50.20 - - Cinematographic editing and tilting equipment; negatoscopes for X-ray; contact exposure unit used for the preparation of film in colour separations process; automatic plate maker
- 90.18 Instruments and appliances used in medical, surgical, dental or veterinary sciences, including scintigraphic apparatus, other electro-medical apparatus and sight-testing instruments.
- 90.19 Mechano-therapy appliances; massage apparatus; psychological aptitude-testing apparatus; ozone therapy, oxygen therapy, aerosol therapy, artificial respiration or other therapeutic respiration apparatus.
- 9020.00.00 Other breathing appliances and gas masks, excluding protective masks having neither mechanical parts nor replaceable filters
- 90.22 Apparatus based on the use of X-rays or of alpha, beta or gamma radiations, whether or not for medical, surgical, dental or veterinary uses, including radiography or radiotherapy apparatus, X-ray tubes and other X-ray generators, high tension generators, control panels and desks, screens, examination or treatment tables, chairs and the like.
- 90.25 Hydrometers and similar floating instruments, thermometers, pyrometers, barometers, hygrometers and psychrometers, recording or not, and any combination of these instruments.
- 90.27 Instruments and apparatus for physical or chemical analysis (for example, polarimeters, refractometers, spectrometers, gas or smoke analysis apparatus); instruments and apparatus for measuring or checking viscosity, porosity, expansion, surface tension or the like; instruments and apparatus for measuring or checking quantities of heat, sound or light (including exposure meters); microtomes.
- 94 Furniture; bedding, mattresses, mattress supports, cushions and similar stuffed furnishings; lamps and lighting fittings, not elsewhere specified or included; illuminated signs, illuminated name-plates and the like; prefabricated buildings**
- 94.02 Medical, surgical, dental or veterinary furniture (for example, operating tables, examination tables, hospital beds with mechanical fittings, dentists' chairs); barbers' chairs and similar chairs, having rotating as well as both reclining and elevating movements; parts of the foregoing articles.
- 9402.90 - Other:
- 9402.90.10 - - Furniture specially designed for medical, surgical or veterinary purposes and parts thereof
- 96 Miscellaneous manufactured articles**
- 9602.00.10 - Gelatin capsules for pharmaceutical products