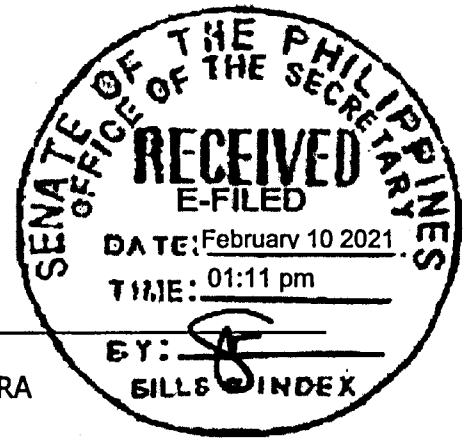


EIGHTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
Second Regular Session)

SENATE

S. B. No. 2046



Introduced by Senator SONNY ANGARA

**AN ACT
EXEMPTING THE DONATION OF VACCINES, CRITICAL PRODUCTS,
ESSENTIAL GOODS, EQUIPMENT OR SUPPLIES NEEDED TO CONTAIN AND
MITIGATE COVID-19 FROM DONOR'S TAX AND FOR OTHER PURPOSES**

EXPLANATORY NOTE

With the advent of the COVID-19 pandemic, the country was forced to close its borders resulting in the restriction of trade and access to goods including medicines and supplies for the mitigation and containment of the coronavirus disease. To address this, emergency measures were enacted such as the Bayanihan to Heal As One Act (RA 11469) and Bayanihan to Recover As One Act (RA 11494), which authorized and empowered the President, among others, to liberalize the grant of incentives for the manufacture of critical equipment and supplies.

As the government gears towards rolling-out its immunization program against COVID-19, the effective and efficient delivery of public goods and services—in this instance, vaccines, needles, storage equipment, and other critical products—becomes all the more critical.

In order to bolster the supply of vaccines, this bill makes it easier to accept donations of critical products, essential goods, equipment or supplies needed to contain and mitigate COVID-19, including the vaccines, by exempting these from donor's tax for a definite period, subject to certain conditionalities.

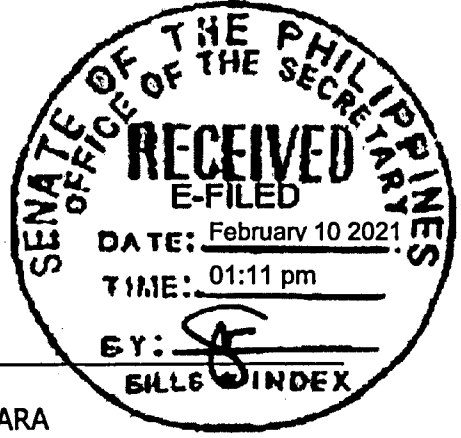
In view of the foregoing, the immediate passage of this bill is earnestly sought.

SONNY ANGARA

EIGHTEENTH CONGRESS OF THE)
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Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

- 1 **SEC. 1. Exemption from Donor's Tax.** – Beginning January 1, 2021 to
2 December 31, 2023, donations to or for the use of the government or any of its political
3 subdivisions and private entities of the following articles pertaining to the containment
4 or mitigation of COVID-19 shall be exempt from donor's tax:
- 5 I. Capital equipment, its spare parts and raw materials necessary for the
6 production of personal protective equipment (PPE) components such as
7 coveralls, gown, surgical cap, surgical masks, N-95 mask, scrub suits,
8 goggles and face shield, double or surgical gloves, dedicated shoes, and
9 shoe covers, for COVID-19 prevention;
 - 10 II. All drugs, vaccines and medical devices specifically prescribed and directly
11 used for the treatment of COVID-19: *Provided*, that within sixty (60) days
12 from the effectivity of this Act, and every three (3) months thereafter, the
13 Department of Health (DOH) shall issue a list of prescription drugs and
14 medical devices covered by this provision;
 - 15 III. Drugs for the treatment of COVID-19 approved by the FDA for use in
16 clinical trials, including raw materials directly necessary for the production
17 of such drugs: *Provided*, that the Department of Trade and Industry (DTI)
18 shall certify that such equipment, spare parts or raw materials being

1 donated are not locally available or insufficient in quantity, or not in
2 accordance with the quality or specification required;

3 IV. Equipment for waste management, including, but not limited to, waste
4 segregation, storage, collection, sorting, treatment and disposal services
5 as approved by the Department of Environment and Natural Resources
6 (DENR), DOH or other concerned regulatory agencies; and

7 V. Such other supplies or equipment as determined by the DOH and the DTI.

8 *Provided*, that for purposes of the exemption, the donated articles shall not be
9 intended for commercial use and shall be for free distribution to or use for the
10 containment or mitigation of COVID-19. Any resale of the donated articles shall be
11 prohibited: *Provided, further*, that the Department of Finance (DOF) and the Bureau
12 of Internal Revenue (BIR) shall issue the necessary guidelines governing donations to
13 private entities: *Provided, furthermore*, that the exemption claimed under this section
14 shall be subject to post audit by the BIR or the Bureau of Customs (BOC), as may
15 be applicable: *Provided, finally*, that the donations shall be subject to the rules of
16 deductibility pursuant to the provisions of the National Internal Revenue Code, as
17 amended and applicable rules and issuances of the BIR.

18 **SEC. 2. Implementing Rules and Regulations (IRR).** – The DOF and
19 DOH, in coordination with the DTI, BIR, BOC and other relevant agencies shall
20 promulgate the pertinent implementing rules and regulations within 30 days from
21 effectivity of this Act.

22 **SEC. 3. Repealing Clause.** – All laws, issuances, orders, rules and
23 regulations, or parts thereof, which are contrary or inconsistent with this Act are
24 hereby repealed, amended or modified accordingly.

25 **SEC. 4. Separability Clause.** – If any provision of this Act is declared invalid
26 or unconstitutional, the other provisions not affected thereby shall remain valid and
27 subsisting.

28 **SEC. 5. Effectivity Clause.** – This Act take shall effect fifteen (15) days after
29 publication in a newspaper of general circulation or in the Official Gazette.

Approved,