



MEMORANDUM

TO : *All Deputy Commissioners
 All District/Port Collectors
 All Deputy Collectors for Assessment
 Assessment Officers
 And Others Concerned*

FROM : **REY LEONARDO B. GUERRERO**
 Commissioner *alt* FEB 06 2020

SUBJECT : **ENACTMENT OF REPUBLIC ACT NO. 11467**

DATE : 04 February 2020

In view of the enactment of Republic Act ("RA") No. 11467 or the "Act Amending Sections 109, 141, 142, 143, 144, 147, 152, 263, 263-A, 265 and 288-A and Adding a New Section 290-A to Republic Act No. 8428, as Amended, Otherwise Known as the National Internal Revenue Code of 1997, and for other Purposes," please be guided that beginning 27 January 2020, the following products shall be subject to the exemption and corresponding excise taxes as provided in RA No. 11467:

1. Exemption from VAT on the importation of certain prescription drugs subject to the guidelines to be issued by the Bureau and other agencies (Section 1).
2. Excise tax of alcohol products (Section 2):

Product	2020	2021	2022	2023	2024	2025 onwards
Fermented liquors (PHP per liter)	35	37	39	41	43	6 percent annual indexation rate
Distilled spirits and alcopops (PHP per proof liter + ad valorem based on NRP per proof)	42	47	52	59	66	
	22 percent ad valorem					
Wines (Php per liter)	50	53.0	56.2	59.6	63.1	

For wines, annual indexation of 6 percent shall start by 2021.

3. Excise tax of Heated Tobacco Products, and Vapor Products (Section 3):

a. Heated Tobacco Products:

Product	2020	2021	2022	2023	2024 onwards
Heated tobacco products (HTPs) (Php per pack of 20)	25	27.5	30	32.5	5 percent annual indexation rate

b. Nicotine Salt or Salt Nicotine:

Product	2020	2021	2022	2023	2024 onwards
Salt nicotine vape* (Php per mL)	37	42	47	52	5 percent annual indexation rate

**Regardless of nicotine content.*

c. Conventional 'Freebase' or 'Classic' Nicotine:

Product	2020	2021	2022	2023	2024 onwards
Freebase vape* (Php per 10 mL)	45	50	55	60	5 percent annual indexation rate

**Regardless of nicotine content.*

The importation of the abovementioned products shall comply with the proper importation procedure as prescribed by the Bureau including the presentation of the Authority to Release Imported Goods (ATRIG) by the Bureau of Internal Revenue (BIR) pursuant to Revenue Memorandum Order No. 35-2002 issued by the BIR and circularized in Customs Memorandum Circular No. 34-2019, and subject to the payment of the corresponding excise taxes, VAT, customs duties, as may be applicable.

For appropriate action and dissemination.