

**Voluntary Report** – Voluntary - Public Distribution

**Date:** August 01, 2023

**Report Number:** RP2023-0045

**Report Name:** CREATE Customs Duty and VAT Exemption Guidelines

**Country:** Philippines

**Post:** Manila

**Report Category:** Trade Policy Monitoring

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**Report Highlights:**

On June 30, 2023, the Department of Trade and Investment-Board of Investments (DTI-BOI) issued Memorandum Circular (MC) No. 2023-004 or the “Guidelines on the Availment of Duty Exemption/Value-Added Tax and Customs Duty Exemption on Importation of Capital Equipment, Raw Materials, Spare Parts and Accessories under the Corporate Recovery and Tax Incentives for Enterprises (CREATE) Law.”

On June 30, 2023, the Department of Trade and Investment Board of Investments (BOI) issued Memorandum Circular (MC) No. 2023-004 or the “Guidelines on the Availment of Duty Exemption/Value-Added Tax and Customs Duty Exemption on the Importation of Capital Equipment, Raw Materials, Spare Parts and Accessories under the CREATE (Corporate Recovery and Tax Incentives for Enterprises) Act.” (Refer to the FAS Manila [GAIN Report](#) CREATE to Extend Tariff and Tax Incentives to Source Agricultural Inputs)

The guidelines are applicable to all BOI Registered Business Enterprises (RBEs) under the CREATE Law. Under the guidelines, the importation of capital equipment, raw materials (including food and agricultural inputs), spare parts, or accessories are exempt from customs duty under the following conditions:

- 1) that it is directly and exclusively used in the registered project or activity of the RBE
- 2) is directly and reasonably needed by the RBE.
- 3) exclusively in and as part of the direct cost of the registered project or activity of the RBE; and
- 4) is not produced or manufactured domestically in sufficient quantity or at reasonable prices.

The RBE must first secure a Certificate of Non-Local Availability from the Legal and Compliance Service of the BOI. The approval of the BOI, through the Certificate of Authority to Import, must be obtained by the RBE prior to the importation of the goods. The application for importation should be accompanied by a quotation/pro forma invoice in the name of the applicant RBE as consignee.

In addition, for the importation of raw materials, a “Formula of Manufacture” as certified by Industrial Technology Development Institute of the Department of Science and Technology and other relevant documents may be required by BOI.

**Attachments:**

[BOI MC 2023-004-Guidelines on Availment of Duty and VAT Exemption.pdf](#)