



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE

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BUREAU OF INTERNAL REVENUE
RECORDS MANAGEMENT DIVISION

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REVENUE REGULATIONS NO. 016-2024

SUBJECT : **Prescribing the Updated Floor Price of Cigarette, Heated Tobacco, and Vapor Products Pursuant to Sections 144 (B) and (C) and 145 (C) of the NIRC of 1997, As Amended**

TO : All Internal Revenue Officers and Others Concerned

SECTION 1. SCOPE. – Sections 144 (B) and (C), and 145 (C) of the National Internal Revenue Code (NIRC) of 1997, as amended by Republic Act (RA) Nos. 11346 and 11467, in relation to relevant provisions of RA No. 11900, or the “Vaporized Nicotine and Non-Nicotine Products Regulation Act,” mandate the Bureau of Internal Revenue (BIR) to prescribe the floor price of Cigarettes, Heated Tobacco Products, and Vapor Products.

Pursuant to the provisions of Sections 244 and 245 of the NIRC of 1997, as amended, these Regulations are hereby promulgated in order to update the floor price of Cigarette, Heated Tobacco, and Vapor Products prescribed in Revenue Memorandum Circular (RMC) No. 49-2023, which revised the floor prices set forth in Section 6 of Revenue Regulations (RR) No. 14-2022 and RMC No. 79-2022.

SECTION 2. DEFINITION OF TERMS. – For purposes of these regulations, the words and phrases listed hereunder are defined as follows:

E-marketplace – refers to an online intermediary that allows participating merchants to exchange information about products or services to enter into an electronic commerce transaction.

Floor Price – refers to the minimum price of cigarette, heated tobacco and vapor products per unit, which shall be equivalent to the total reasonable production cost/expenses of the cheapest brand per tobacco product and the sum of the excise tax and VAT.

Heated Tobacco Products (HTPs) – refer to tobacco products that may be consumed through heating tobacco, either electrically or through other means sufficiently to release an aerosol that can be inhaled, without burning or any combustion of the tobacco. Heated tobacco products include liquid solutions and gels that are part of the product and are heated to generate an aerosol.

Seller – a person engaged in the business of selling consumer products directly to consumers. It includes online sellers or merchants, or any person or entity selling products or services to customers through an e-marketplace. It shall also include a supplier or distributor if (1) the seller is a subsidiary or affiliate of the supplier or distributor; (2) the seller interchanges personnel or maintains common or overlapping officers or directors with the supplier or

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Pursuant to Sections 144 (B) and (C) and 145 (C) of the NIRC of 1997, As Amended

distributor; or (3) the supplier or distributor provides or exercises supervision, direction or control over the selling practices of the seller.

Vapor Products – shall mean Electronic Nicotine and Non-Nicotine Delivery systems (ENDS/ENNDS), which are combinations of (i) a liquid solution or gel, that transforms into an aerosol without combustion through the employment of a mechanical or electronic heating element, battery or circuit that can be used to heat such solution or gel, and includes, but is not limited to (ii) a cartridge, (iii) a tank, and (iv) the device without a cartridge or tank. It is commonly known as nicotine salt/salt nicotine, and conventional ‘freebase’ or ‘classic’ nicotine, and other similar products. All vapor products shall be covered regardless of its nicotine content.

SECTION 3. FLOOR PRICE. – Provided hereunder are the updated floor prices for the subject tobacco products:

A. Cigarettes

Packaging	Content per Packaging	Production Cost/ Total Landed Cost	Excise Tax (2024)	VAT (12%)	Total Tax	Floor Price
Pack	20 sticks	7.16	63.00	8.42	71.42	78.58
Ream	10 packs	71.60	630.00	84.20	714.20	785.80

B. Heated Tobacco Products

Packaging	Content per Packaging	Production Cost/ Total Landed Cost	Excise Tax (2024)	VAT (12%)	Total Tax	Floor Price
Pack	20 sticks	19.54	34.13	6.44	40.57	60.11

C. Vapor Products

1. Nicotine Salt or Salt Nicotine

Packaging	Pack/ Fill	Content per Packaging	Production Cost/ Total Landed Cost	Excise Tax (2024)	VAT (12%)	Total Tax	Floor Price
Pod	1	2 ml	52.11	109.20	19.36	128.56	180.67
Bottle	1	10 ml	60.36	546.00	72.76	618.76	679.12

2. Conventional ‘Freebase’ or ‘Classic’ Nicotine

Packaging	Pack/ Fill	Content per Packaging	Production Cost/ Total Landed Cost	Excise Tax (2024)	VAT (12%)	Total Tax	Floor Price
Bottle	1	10 ml	99.25	63.00	19.47	82.47	181.72
Bottle	1	30 ml	46.47	189.00	28.26	217.26	263.73

The above floor prices shall only be used as reference for taxation purposes in the absence of other documents/proof as to the actual price of the product that is higher than the identified floor price.

SECTION 4. PENALTIES. – Selling of tobacco products at a price lower than the combined excise and value-added taxes imposed under the law shall be prohibited.

Under Section 145 (C) of the NIRC of 1997, as amended, the seller of such products shall be punished with a fine of not less than ten (10) times the amount of excise plus value-added taxes due but not less than Two hundred thousand pesos (P200,000.00) nor more than Five hundred pesos (P500,000.00), and imprisonment of not less than four (4) years but not more than six (6) years.

Under Section 263-A of the same Code, as amended, any person who sells heated tobacco products and vapor products at a price lower than the combined excise and value-added taxes shall be punished with a fine of not less than ten (10) times the amount of excise tax plus value-added tax due but not less than Two hundred thousand pesos (P200,000.00) nor more than Five hundred thousand pesos (P500,000.00), and imprisonment of not less than four (4) years but not more than six (6) years.

SECTION 5. REPEALING/AMENDATORY CLAUSE. – All existing rules, regulations, issuances or parts thereof contrary to or inconsistent with the provisions of these Regulations are hereby repealed, amended or modified accordingly.

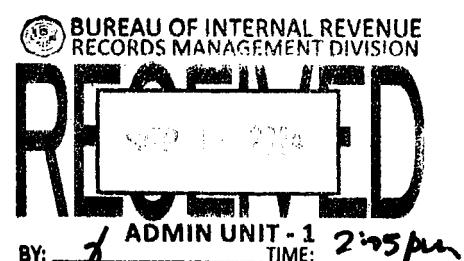
SECTION 6. SEPARABILITY CLAUSE. – If any of the provisions of these Regulations is subsequently declared unconstitutional or invalid, the validity of the remaining provisions hereof shall remain in full force and effect.

SECTION 7. EFFECTIVITY. – These Regulations shall take effect fifteen days following the publication thereof in the Official Gazette or the BIR's official website, whichever comes first.

RALPH G. RECTO
Secretary of Finance
AUG 27 2024

Recommending Approval:


ROMEO D. LUMAGUI, JR.
Commissioner of Internal Revenue



OHREA, LTS-Excise/rrie