

VAT treatment of Human Medicines

This document should be read in conjunction with paragraph 11(1) of Schedule 2 of the Value-Added Tax Consolidation Act, 2010.

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Introduction

This guidance sets out the VAT treatment of human medicines. Generally, medicines are subject to the standard rate of VAT unless they are medicines for human oral consumption. Certain replacement therapies for human non-oral consumption are also zero rated.

1 Oral Medicines

The supply of medicine for humans is zero rated for VAT purposes if the medicine is:

- for oral consumption
- and
- is licenced or authorised by the Health Products Regulatory Authority (HPRA).

Products licenced or authorised by the HPRA are listed on the [HPRA website](#) and have a product authorisation (PA) number on their label, box or container.

Certain folic acid and other vitamin and mineral products for oral human consumption are licenced / authorised by the HPRA and are therefore zero rated.

Oral herbal and homeopathic medicines which meet the above requirements are also zero rated. These products are labelled with a product authorisation (TR or HoR) number on their label, box or container.

European Union licenced oral medicines, parallel imported oral medicines, oral medicines authorised under the mutual recognition, or the decentralised, procedure are also zero rated.

Examples of oral medicines include throat and mouth spray, asthma inhalers, oral pills, and oral contraceptive products. This list is not exhaustive.

1.1 Clinical trials and certain supplies by medical practitioners

Revenue understands that there are two exemptions from authorisation by the HPRA that are relevant to patients for the treatment of conditions where there are medical needs that cannot be met by authorised medicines.

These are:

- supply through participation in an approved clinical trial

or

- in accordance with the specifications of a medical practitioner for use by her or his individual patients on her or his direct personal responsibility, in order to fulfil the special needs of those patients.

Supplies of oral medicines in these circumstances are also zero rated for VAT purposes.

2 Non-oral Medicines

The supply of non-oral medicine for humans, other than certain replacement therapy medicine, is [standard rated](#) for VAT purposes.

Examples of non-oral medicines include medicines for injection and infusion, and transdermal medicines. This list is not exhaustive.

2.1 Non-oral Replacement Therapy Medicine

The supply of non-oral medicine for humans, for use in:

- hormone replacement therapy (HRT)

or

- nicotine replacement therapy (NRT)

is zero rated for VAT purposes. This rate applies from 1 January 2023.

3 VAT rate on incidental costs of supply of medicines

Incidental costs to the supply of oral and non-oral medicines may arise and can include:

- dispensing fees
- and
- prescription fees.

Dispensing fees and prescription fees are treated as part of the fee for the supply of medicines and are taxable at the appropriate rate.

- The zero rate of VAT applies to dispensing fees and prescriptions fees for oral medicines.
- The zero rate of VAT also applies to dispensing fees and prescriptions fees for the non-oral replacement therapies listed at point 2.1 above.
- The [standard rate](#) of VAT applies to dispensing fees and prescriptions fees for all other non-oral medicines.