Republic of the Philippines
Department of Health
OFFICE OF THE SECRETARY

Final Draft

ADMINISTRATIVE ORDER
No. _____

SUBJECT: Revised Guidelines on Good Manufacturing Practice (GMP) Clearance for Foreign Drug Manufacturers

I. RATIONALE AND BACKGROUND

Consistent with State policy under Section 3 of RA 9711 "(a) protect and promote the right to health of the Filipino people; and (b) help establish and maintain an effective health research, responsive to the country's health needs and problems, the State must enhance its regulatory capacity and strengthen its capability with regards to the inspection, licensing and monitoring of establishments, and the registration and monitoring of health products.

The Food and Drug Administration (FDA) Philippines implements Good Manufacturing Practice (GMP) for drug products to ensure safety, efficacy, purity, and quality of medicines supplied in the country by domestic manufacturers and foreign drug manufacturers. GMP defines the administrative and technical measures to consistently produce and control medicines on a batch-to-batch basis based on approved specifications and quality standards. It defines general measures to ensure that processes necessary for production and testing are clearly defined, validated, reviewed, and documented, and that the personnel, premises, materials, among others are suitable for the production of pharmaceuticals and biologicals including vaccines. GMP has legal components as it covers responsibilities and accountability for distribution, storage, transport and responses to product defects and complaints.

On June 13, 1974, by virtue of Administrative Order No. 220, s. 1974, the FDA Philippines adopted the World Health Organization (WHO) Guidelines on GMP for pharmaceutical and biological products. The 1974 AO was upgraded by AO 43. s. 1999. Moreover, the Philippines, as an ASEAN Member States (AMS) helped shape the ASEAN Mutual Recognition Agreement (MRA) for GMP, adopting the PIC/S Guides for the GMP for Medicinal Products by virtue of AO 2012-0008, as the basis for the MRA to make certain that the trade products in the ASEAN market have the same quality and manufactured following the ASEAN GMP standards. The Philippines Food and Drug Administration is the 5th AMS to be listed under the ASEAN Mutual Recognition Arrangement (MRA) on Good Manufacturing Practices (GMP) on 7 January 2020.

The responsibilities and accountabilities when drug products are imported from other countries are shared by the foreign drug manufacturers and the drug distributor-importers. The FDA Philippines requires foreign drug manufacturers through the assigned drug distributor-importer to obtain a GMP Clearance before applying for a Certificate of Product Registration, a product market authorization, prior to importing drugs products and Active Pharmaceutical Ingredients (API), when applicable into the country. The foreign drug manufacturer needs to demonstrate acceptable evidence of compliance to international GMP standards before supplying them in the country.

GMP Clearance ensures the timely supply of innovative and established pharmaceutical and biological products from other countries in an efficient and effective way while ensuring the appropriateness and suitability of manufacturing processes and quality procedures.

The GMP Clearance can be obtained primarily through a desktop assessment and/ or on-site inspection by the FDA Philippines Drug GMP Inspectorate. These guidelines describe the criteria, requirements and process for regulatory reliance and recognition to determine suitability of evidence of GMP compliance for the protection of the patients and public health.

This issuance revises Administrative Order No. 2013-0022 on Guidelines for Current Good Manufacturing Practice (cGMP) Clearance and Inspection of Foreign Drug Manufacturers, and its implementing guidelines, the FDA Circular No. 2014-016.

II. OBJECTIVES

The purpose for the issuance is to update the current guidelines on the Foreign GMP Clearance requirements and the processes on application for initial, variation and renewal for foreign drug manufacturers represented by the drug distributor-importers intending to register and supply finished drug products and active pharmaceutical ingredients in the country.

III. SCOPE

These guidelines shall apply to all Foreign Drug Manufacturers of drug and biological products, including API as applicable, represented by a local drug distributor-importer with a valid License to Operate that intends to register and supply drug products in the country.

IV. DEFINITION OF TERMS

For greater clarity in implementing this guideline, the following terms are defined:

1. **Applicant** refers to the FDA-licensed drug-distributor-importer that will register drug products with the FDA Philippines and represents the foreign drug manufacturers of the products for export and supply in the Philippines.

2. **Good manufacturing practice (GMP)** refers to the system of ensuring that products are consistently produced and controlled according to quality standards. It is designed to minimize the risks involved in any pharmaceutical production that cannot be eliminated through testing the final product.

3. **Drug GMP Inspection** refers to the formal evaluation exercise conducted to determine the company's compliance to GMP standards. Drug GMP inspection is sometimes referred to as Drug GMP audit.

4. **Foreign Drug Manufacturer** refers to the privately or government-owned (state) drug manufacturer in other country that are under strict regulatory control of the local National Regulatory Authority (NRA).

5. **GMP Certificate** refers to the certificate issued by the NRA of other country to their domestic drug manufacturer.

6. **GMP Clearance** refers to the document issued by the FDA Philippines to an applicant and a foreign drug manufacturer (for inspected site) for a fee, and represented by the FDA-licensed drug-importer by virtue of an agreement to supply drug products in the country after verification of compliance to international GMP standards. The GMP Clearance issued by the FDA Philippines is based on application, desktop assessment and/or actual inspection, as applicable, and shall not be considered as equivalent to a GMP Certificate.

7. **Qualified Person (QP) for drug (AO2020-017)** refers to an organic or full-time FDA-registered pharmacist of the establishment who possesses technical competence related to the establishment's activities and drug products by virtue of his education, training, and experience. A QP has the responsibility to comply with the technical requirements of the FDA Philippines or discuss or clarify matters with the FDA Philippines when submitting technical requirements or engage the FDA officials when conducting an inspection or post-market surveillance activities. The QP may also be the duly authorized person of the establishment.

8. **Post-GMP clearance inspection** refers to an on-site inspection by FDA Philippines within the validity of the GMP Clearance.

9. **Product line** (in manufacturing) refers to a group of related products produced by one manufacturer.

V. GUIDELINES

A. General Guidelines

The following are the general guidelines:

1. The FROO shall create a Drug GMP Unit in the South Luzon Cluster (SLC) under Field Regulatory Operations Office (FROO).
2. All applicants shall file their applications online with the FROO through FDA eServices.
    a. All documents to be submitted shall be in English or officially translated to the English language.
    b. The manufacturer must ensure that any translated version of the documentation that is provided to the GMP Inspector during the desktop assessment or on-inspection is clear, legible, accurate and in an official manner in line with the manufacturers documentation system.
3. The application shall be per manufacturing site.
4. The applicant shall pay the application fee and the foreign drug manufacturer shall pay for the inspection fee per manufacturing site.
5. The Inspection Fee shall cover all the costs of the FDA Philippines post-GMP Clearance and spot check or emergency GMP inspection. The Inspection Fee shall also cover other expenses such as inspection tools, communication expenses, accident and health insurance, required vaccination, personal protective equipment (PPE), and for upgrading the capacity of inspectors, among others.
6. The GMP Clearance is issued after a desktop assessment and/or full on-site GMP inspection of a manufacturing facility or plant covering all processes of a product line applied. The GMP Clearance shall be issued to the foreign drug manufacturer and the applicant.
7. The validity of the GMP Clearance issued based on desktop assessment shall follow the validity of the GMP Certificate or equivalent documents submitted. For on-site inspected foreign drug manufacturer, GMP Clearance shall be valid for 3 years from the date of inspection and renewable thereafter.
8. The FDA Philippines reserves the right to require, schedule and conduct on-site GMP inspection at any time after the issuance of certificate of compliance or foreign GMP clearance.
9. The QP of drug distributor-importer is responsible of the following:
    a. To inform the FDA Philippines promptly on any reports on the suspension or revocation of the GMP Certificate by the NRA in the country of manufacture or any GMP issues in countries where the foreign drug manufacturer is supplying.
    b. To notify the FDA Philippines on any variation on the GMP Certificate issued by the FDA's NRA counterpart. The Drug

Distributor-Importer shall submit documentary evidence on the approval of the variation from the NRA counterpart. The FDA reserve the right to schedule and conduct foreign GMP audit upon submission of documentary evidence.

10. All GMP non-compliance reports or product-related GMP issues received by the FDA Philippines shall be verified with the drug distributor-importer, foreign drug manufacturer and/or the NRA of the originating country. In case of non-compliance in requirements and standards is verified, appropriate regulatory actions shall be enforced.
11. Results of FGMP inspection and desktop assessment shall be posted and shared in the FDA Philippines website.
12. All Drug GMP inspectors shall sign a declaration of confidentiality and non-disclosure including a declaration of no conflict of interest a week before the actual inspection.
13. FDA Personnel Order and Travel Authority shall be issued by the FDA Director General upon the recommendation of the Deputy Director General for FROO.

B. Specific Guidelines

The following are the specific guidelines:

1. Categorization of Application

For the purpose of determining evidence of GMP compliance of foreign drug manufacturers, the FDA Philippines shall categorize the manufacturers into three:

1.1 **Category I – Desktop Assessment**

1.1.1 Foreign drug manufacturer with any GMP evidence from a recognized NRA by FDA Philippines, as define in Section B.2.1.1 “Documentary Requirement” of this AO.

1.1.2 Foreign drug manufacturer of imported home remedy, over-the-counter preparations, non-sterile veterinary, traditionally-used herbal products, herbal medicines, and medical gases. This shall also include non-sterile single and multiple-component vitamins and mineral products or preparations containing amino acids with GMP evidence under Section B.2.1.1 or B.2.1.2 on Documentary Requirements of this AO.

1.1.3 For this Category, issuance of a GMP Clearance is based on desktop assessment.

1.2 **Category II – On-Site Inspection**

1.2.1 Foreign drug manufacturer with GMP evidence, as define in Section B.2.1.2 "Documentary Requirement" of this AO, and had not been issued any GMP Clearance by the FDA Philippines, entering into an agreement with only one drug distributor-importer and does not qualify under Category I.

1.2.2 Foreign drug manufacturer with GMP evidence, as define in Section B.2.1.2 "Documentary Requirement" of this AO, and had not been issued any GMP Clearance by the FDA Philippines, with multiple agreements with drug distributor-importer and does not qualify under Category I.

1.2.3 Foreign drug manufacturer with existing GMP Clearance issued by FDA Philippines that has new/ additional product line which was not included from the initial inspection.

1.2.4 For this Category, issuance of a GMP Clearance shall be made only after a successful on-site inspection.

1.3 **Category III – Re-issuance**

1.3.1 Foreign drug manufacturer with an existing GMP clearance issued by FDA Philippines, entering into multiple agreements with several drug distributor-importer is classified as Category III.

1.3.2 For this Category, issuance of a GMP Clearance is based on the result of the on-site inspection.

2. Documentary Requirements

2.1 **GMP Evidence**

2.1.1 **Issued by Recognized NRA by FDA Philippines**

a. A valid GMP Certificate or latest GMP closed-out inspection report issued by the NRA in the PIC/S country of manufacture;

b. A valid GMP Certificate or latest GMP closed-out inspection report issued by the NRA from a PIC/S Member Country/ies to the manufacturer

c. A valid GMP Certificate or latest GMP closed-out inspection report issued by the NRA listed under ASEAN MRA on GMP;

d. A valid WHO GMP inspection report issued by WHO and/or certificate under the WHO Prequalification Inspection Program;

e. A valid GMP Certificate issued by NRA of the manufacturing country in which the Philippines has free trade agreement provided, however, there must be a valid instrument or agreement on GMP recognition**.**

2.1.2 **Other GMP evidence, when applicable**

a. a Valid GMP Certificate issued by the NRA of the manufacturing country
b. a copy of the latest closed inspection report issued by the NRA of the manufacturing country
c. a Valid GMP Certificate or other certificate issued by any designated certifying authority/body by the country of origin.

2.2 **General Requirements**

2.2.1 Letter of Authorization for the Qualified Person signed by the President, CEO or its equivalent (Annex 1)
2.2.2 Distributorship Agreement for legal review
2.2.3 Valid GMP evidence as listed under B.2.1
2.2.4 Site Master File or equivalent (latest)

3. On-Site Inspection Process

All application requiring on-site inspection shall follow this process, i.e. Category II and post-GMP clearance inspection.

3.1 The date of the inspection shall be determined by FDA Philippines in coordination with the QP.
3.2 Once the date of inspection has been set, inspection cannot be cancelled or re-scheduled. A new application shall be made and all payments shall be forfeited in favor of the FDA Philippines in case of cancellation or re-scheduling, unless by force majeure.
3.3 Payment of the inspection fee must be made at least two months before the scheduled foreign GMP inspection.
3.4 Additional information regarding the foreign drug manufacturer may be required from the QP or applicant upon confirmation of the schedule of on-site inspection.
3.5 The need for a language interpreter who is proficient in English shall be arranged by the applicant at their cost. Preferably the interpreter is knowledgeable in manufacturing of medicinal products and certified, or accredited.

3.6 Inspection report shall be issued to the foreign drug manufacturer after the on-site inspection and Corrective Action and Preventive Action Plan/s with objective evidence should be submitted, as needed.

3.7 In case of critical finding/s, the affected product line shall not be included in the recommendation of GMP Clearance. The applicant has to file a new application in order for FDA Philippines to conduct another on-site inspection on the foreign drug manufacturer.

3.8 The inspection for country with security issues or emergency situations shall be only scheduled once resolved or duly provided with Department of Foreign Affairs (DFA) clearance to travel.

3.9 Should there be a forfeiture of the plane ticket or non-refundable plane ticket paid for by the foreign drug manufacturer due to force majeure, the FDA Philippines shall secure another plane ticket using the FDA Philippines inspection fee.

3.10 Post GMP inspection

4. Schedule of Fees

	Category I & Category III	**Category II**
Application Fee	Php 30 000 + LRF	Php 30 000 + LRF
Notification Fee	Php 500 + LRF	Php 500 + LRF
Inspection Fee**	N/A	
ASEAN Countries		USD 3 500 + (UNDP-DSA + Airfare)*
Asia Pacific Countries		USD 7 000 + (UNDP-DSA + Airfare)*
Other Countries		USD 10 000 + (UNDP-DSA + Airfare)*
* Inspection expenses including UNDP-DSA, Airfare, and translator (if necessary) shall be paid by the Foreign Drug Manufacturer. **Payment is exclusive of all bank charges.		

5. Variation of GMP Clearance

5.1 All variation or changes in the manufacturing facility under all Categories shall require notification to the FDA Philippines through FDA eServices.

5.2 For manufacturing facility under all Categories, a certificate or document showing the approval of the NRA shall be attached with the application.

5.3 All notified variations with the FDA shall be posted in the FDA website.

6 Renewal of GMP Clearance

6.1 Renewal applications shall be made not later than 90 days before the expiration of the GMP Clearance.

6.2 Renewal applications that merit GMP Desktop Assessment shall undergo the same process stated in section B.3 and shall submit the general requirements mentioned in section B.2.2

6.3 For Category II, the applicant may apply for GMP Desktop Assessment for the foreign drug manufacturer up to two times consecutively. Upon satisfactory GMP Desktop Assessment, the GMP clearance status validity will be for another three years.

For example, the last inspection conducted on 01 December 2019 will expire on 01 December 2022. With satisfactory GMP Desktop Assessment (first time), the GMP status will be extended to 01 December 2025. Then, applicant may apply for another GMP Desktop Assessment which due in 2025, in which a satisfactory GMP Desktop Assessment (second time) will be further extended to 01 December 2028.

6.4 After two consecutive GMP Desktop Assessment for Category II, the application for the next renewal is subject for an on-site foreign GMP inspection and shall follow the process for Category II.

6.5 In case of unsatisfactory GMP Desktop Assessment, the foreign drug manufacturers will be subjected to an on-site foreign GMP inspection and shall follow the process for Category II.

6.6 An application for renewal of GMP Clearance received after its date of expiration shall be subject for a surcharge or penalty equivalent to twice the renewal application fee and an additional 10% per month or a fraction thereof of continuing non-submission of such application up to a maximum of 120 days. Any application filed thereafter is considered as expired and the application is subject to a fee equivalent to the total surcharge or penalty plus the initial filing fee and the application shall undergo the initial filing and evaluation procedure.

6.7 Failure of any drug distributor-importer to apply for renewal of their GMP Clearance within the prescribed period shall be recommended by the FROO to the CDRR for appropriate regulatory action.

VI. TRANSITORY PROVISIONS

1. Implementation of the FDA Circulars on the interim guidelines for issuance of Permit to (FDA Circular 2020-0020-A) and renewal (FDA Circular 2021-015) shall continue until such time this issuance is implemented.
2. Permit to Register (FDA Circular 2020-0020-A) shall apply for initial application under Category II or application for on-site inspection until such time that restriction on international travel is lifted by each concerned country.

3. All pending applications shall be processed following AO 2013-0022 and its related issuances.
4. The FDA shall issue FDA Circular to align this issuance with the ASEAN GMP Agreement as it evolves and implemented, and to further clarify provisions of this AO or to ensure efficiency of inspection according to the provisions of Ease of Doing Business (EODB) law. (State the RA of EODB)
5. The FROO, in collaboration with the FDA Philippines Academy, shall conduct webinars for drug distributor-importers on securing GMP Clearance and the developed online system.

VII. REPEALING AND SEPARABILITY CLAUSE

Administrative Order No. 2013-022, "Guidelines for Current Good Manufacturing Practice (cGMP) Clearance and Inspection of Foreign Drug Manufacturers" is hereby rescinded.

Provisions in previous orders, circulars and memoranda that is inconsistent with this Administrative Order are hereby withdrawn, repealed and revoked accordingly.

If any provision in this Administrative Order, or application of such provision to any circumstances, is held invalid, the remainder of the provisions in this Administrative Order shall not be affected.

VIII. EFFECTIVITY

This Administrative Order shall take effect after fifteen (15 days) following its publication in a newspaper of a national circulation and upon filing to the University of the Philippines Law Center Office of the National Administrative Register.

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Secretary of Health