

# DISCLOSURE OF TRANSFERS OF VALUE TO SWISS HEALTHCARE PROFESSIONALS AND HEALTHCARE ORGANISATIONS

## METHODOLOGICAL NOTES

Date of Issue: June 2016  
Country Scope: Switzerland  
Version: 1.0

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## CONTENTS

INTRODUCTION .....	5
CONTENT .....	5
1. General Summary & Country considerations.....	5
2. Methodology used .....	6
3. Other issues and criteria applied.....	7
ABBREVIATIONS.....	9
REFERENCES .....	9



## INTRODUCTION

Pharma Mar S.A. is a member of the European Bio-pharmaceutical Enterprises (EBE), a specialized group of research-based pharmaceutical companies within EFPIA (European Federation of Pharmaceutical Industries and Associations). As such, Pharma Mar S.A. is bound by the EFPIA Code on Disclosure of Transfers of Value from Pharmaceutical Companies to Healthcare Professionals and Healthcare Organizations <sup>[1]</sup>, to disclose any amount attributable to Transfers of Value to Healthcare Professionals and Healthcare Organizations in each Reporting Period.

EFPIA Code of Disclosure Transfers of Value <sup>[1]</sup> states on Section 3.05. that together with the template describing the Transfers of Value, each Member Company shall publish a note summarizing the methodologies used by it in preparing the disclosures and identifying the Transfers of Value. The note, including a general summary and/or country specific considerations, shall describe the recognition methodologies applied, and should include the treatment of multi-year contracts, VAT and other tax aspects, currency aspects and other issues related to the timing and amount of Transfers of Value for purposes of the Code.

## CONTENT

### 1. General Summary & Country considerations

This methodological note is referred to any Transfer of Value made in 2015 to any HCP practicing their profession in Switzerland or HCO headquartered in Switzerland. Since disclosures shall be made pursuant to the national code of the country where the Recipient<sup>1</sup> has its physical address,

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<sup>1</sup> In accordance with EFPIA HCP/HCO Disclosure Code, “Recipient” is any Health Care Professional or Healthcare Organization as applicable, in each case, whose primary practice, principal professional address or place of incorporation is in Europe.

Pharma Mar declaration is regulated by the Code of Conduct of the Pharmaceutical Industry in Switzerland (Pharma Code)<sup>[2]</sup>

It is worth noting that Pharma Mar AG, Swiss subsidiary of Pharma Mar S.A., did not perform any promotional activity in 2015. All the promotional activities conducted in Switzerland during 2015 were executed by a dedicated Sales Team of Quintiles AG (Hochstrasse 50, CH-4053 Basel) working on behalf of Pharma Mar, S.A. In this regard during 2015 Transfers of Value have been made indistinctly by Pharma Mar S.A or by Quintiles AG (Hochstrasse 50, CH-4053 Basel) on behalf of Pharma Mar S.A. Therefore for the sake of providing more transparency and clarity on the disclosure of Transfers of Value made during 2015, any Transfers of Value either made directly by, or on behalf of Pharma Mar S.A, are disclosed under Pharma Mar S.A's name.

Transfers of Value to Swiss HCP/HCO related to Research & Development that can be clearly linked to activities as defined on the Art 3.04 & Schedule 1 of the EFPIA Code on Disclosure of Transfers of Value<sup>[1]</sup> have been declared as an aggregate amount under the "Research and Development Transfers of Value" category. It is worth noting that no amount was spent on R&D in Switzerland in 2015. Nevertheless and for the purpose of correct identification of the criteria used in the declaration of Transfers of Value included in the category of Research and Development, it is noted that the declared amount corresponds to that declared to the Spanish Ministry of Industry, Energy and Tourism, within the "PROFARMA Plan (2013-2016) for the Development of Competitiveness in the Pharmaceutical Industry", specifically, the amount declared under the category "R & D Expenses Outside-Walls".

## 2. Methodology used

Any contribution to HCO or HCP has to be requested on written form; every request is evaluated and approved on a case by case basis by the Pharma Mar Sales Management. Records with the details (name, working address, amounts transferred) of the HCP or HCO to whom any Transfer of Value was done are kept on electronic format. For those Events, where the approval is based on a budgeted quantity, reconciliation is done once the invoices arrive, aiming to reflect the real amount

spent and not the budgeted one. In Switzerland the recipients of the Transfers of Value have to bear a 33% of the overall value of the Transfer of Value related to Costs of Events, and once the final amount is certain they are invoiced by the Pharmaceutical Company for the appropriated amount.

The engagement with the HCP/HCO is arranged by way of a formal written agreement which identifies the Recipient of the Transfer of Value, the subject matter of the arrangement, the amount of the Transfer of Value as well as other material provisions that may be deemed necessary between the parties. To issue the current Disclosure of Payments to HCP/HCO in Switzerland during 2015, all the electronic records of transfers of value have been compiled and reviewed to avoid HCP/HCO duplications. The final list of HCP/HCO has been manually confronted with this obtained from the written agreements in order to identify those individuals/organizations which do request an aggregated declaration of their Transfers of Value.

### 3. Other issues and criteria applied

To the best of our knowledge, the following criteria have been used to compile and summarize the information.

- Amounts are disclosed in Swiss Francs, and do not include VAT. Where required the amount in Euros has been translated into CHF multiplying by a factor of 1.0685, which is the average of all daily exchange rates of the Euro against CHF in 2015.
- Only the remaining 66% contribution to costs of events paid by/or on behalf of PharmaMar is declared, since Swiss recipients bear their own a 33% of the overall value of the Transfer of Value.
- All the amounts disclosed correspond to Transfers of Value that took place exclusively during 2015

**METHODOLOGICAL NOTES ACCOMPANYING, DATA DISCLOSURE OF TRANSFERS OF VALUE TO SWISS HEALTHCARE PROFESSIONALS AND HEALTHCARE ORGANISATIONS**

- Where costs cannot be individually identified but can be applied to a number of individuals, the total cost has being split proportionally among them i.e. An invoice from a hotel, for an accommodation total, has been divided into “nights” and applied proportionally to the HCP hosted.
- When despite Pharma Mar’s efforts, the HCP/HCO neither gave its permission, nor its refusal to the individual publication of the Transfers of Value; Pharma Mar S.A. has disclosed the amounts transferred on an aggregated basis.



## ABBREVIATIONS

**EFPIA:** European Federation of Pharmaceutical Industries and Associations

**EBE:** European Bio-pharmaceutical Enterprises (EBE)

**HCO:** Healthcare Organization (for a complete definition of the term you may refer to the EFPIA Code on Disclosure of Transfers of Value from Pharmaceutical Companies to Healthcare Professionals and Healthcare Organizations, Schedule 1 Definition of terms)

**HCP:** Healthcare Professional (for a complete definition of the term you may refer to the EFPIA Code on Disclosure of Transfers of Value from Pharmaceutical Companies to Healthcare Professionals and Healthcare Organizations, Schedule 1 Definition of terms)

**HCP Code:** EFPIA Code on the Promotion of Prescription-Only Medicines to, and Interactions with, Healthcare Professionals, adopted by the EFPIA Board.

## REFERENCES

[1] EFPIA European Federation of Pharmaceutical Industries and Associations, «Responsible Transparency,» 2016. [En línea]. Available: <http://transparency.efpia.eu/>. [Último acceso: 29 02 2016].

[2] Science Industries Switzerland, «Code of Conduct of the Pharmaceutical Industry in Switzerland (Pharma Code),» 2014. [En línea]. Available: <https://en.scienceindustries.ch/involvement/pharma-code-and-pharma-cooperation-code>. [Último acceso: 01 June 2016].