

# WHITE PAPER

## Pharmaceutical Companies and Healthcare Organizations: best practice document on the sponsoring of events

Zurich, September 2021

Contributors: Corinne Berger, Caspar Fluck, Alex Fuchs, Dr. Gabrielle Gardette, Sabine Geiger, Prof. Claudia Seitz and Patrick Wellens

Ethics and Compliance Switzerland (ECS) is an independent not for profit organization promoting ethical leadership and integrity in all organizations. ECS was founded in 2014 in Berne, Switzerland ([www.ethics-compliance.ch](http://www.ethics-compliance.ch))



## **Best Practice document on the sponsoring of events**

### **Background**

Pharmaceutical companies in Switzerland often sponsor educational congresses or events organized by healthcare organizations.

Pharma companies often struggle with

- Obtaining budgets from hospitals when sponsoring request are being made
- Lack of transparency on co-sponsors (multi-sponsoring)
- Lack of transparency on how the sponsoring amount is being used
- Getting refund for unused sponsoring amounts (over-sponsoring).

Hospitals often struggle with

- Different contractual clauses requested by different pharma companies
- Some pharma companies asking for budgets for all sponsoring events (regardless of amount), whereas other pharma companies apply a certain threshold
- Which cost positions are allowed in budgets by pharma companies.

### **Purpose**

This document aims to create best practice / minimum standards on sponsoring events applicable to all pharma companies and healthcare organizations in Switzerland.

The document is structured in three parts. You find best practice/minimum standards applicable:

- during the sponsoring request
- in sponsoring contract; and
- after the completion of sponsoring event

## Best Practice Document on the sponsoring of Events

### 1. Sponsoring request for education events minimal requirements

- Request must be in writing on letter head of the institution or via email from an official email account of the institution
- Description of sponsoring (incl. date/duration of the event)
- Detailed program/content of event(s) to ascertain the scientific purpose
- For sponsorships of recurring (monthly) events, it is suggested that a reconciliation is regularly done between the activities being sponsored and detailed documentation
- Venue / location – must comply with Pharmacode / MedTech Europe Code of Ethical Business Practice
- Hospitality must be secondary and accessory to the main objective of the meeting (check timetable/program to ensure this is the case)
- Number of sponsors (known or requested)
- Transparent budget and detailed list of costs (use of the financial support to assess FMV and reasonableness)
- Expected number of participants / health care professionals
- Tangible benefits for sponsors (logo display, booth, acknowledgment, participation possibility...etc.)
- Requested amount for the sponsoring (subject / not subject to VAT)
- Detailed information of costs and financial support after the event took place to avoid over-sponsoring (Note: companies should consider materiality levels as the cost effort of putting the documentation together for minor sponsorships would not be proportionate)
- Bank account details (Bank name and address, Account Number, IBAN, beneficiary recipient)

## Best Practice document on the sponsoring of events

### 2. Sponsoring Contract for education event: minimum content/clauses

- Contracting parties (only legal entities, no individuals)
- Content and speaker **are developed by the Organization**
- Scope of sponsoring (name of the event)
- Date of event and duration
- Target audience of the event
- Location / physical / virtual
- Sponsoring amount (subject / not subject to VAT)
- Benefits for Sponsors, i.e. detailed description of the services / promotional activities inreturn / use for the specific / scientific purpose; any changes must be disclosed to the sponsor
- Right to ask for refund, if the services or activities agreed in the sponsoring contract are notprovided or if the event was cancelled
- Anti-bribery and corruption clause (compliance with local and international regulations), pharma code, VITH etc.
- Data privacy clauses (transfer of data to other jurisdictions with lower data protectionrequirements)
- Transparency clause – individual disclosure requirements onto the name of the requestinginstitution
- “Over sponsoring” situation: Budget and evidence of the correct use of the funds andexecution of the event, respectively provision about use of the “left-overs”
- For sponsoring amounts exceeding a certain materiality threshold (= not practical for allsponsoring requests), definition of acceptable budget positions
- Payment terms (advanced or after event)
- Bank account holder (legal entity only) / account information / tax information (with orwithout VAT)
- Separation principle: support is independent of any commercial transaction between theparties (no requirement to purchase products of the sponsor)
- Signature of authorized representatives (**first and second signee**) for contracting purpose
- Disclosure of sponsoring of the HCO.

## **Best Practice document on the sponsoring of events**

### **3. Post-event documentation (best practice)**

- Proof of agreed promotional activity with details of place and date
- Copy / scan of the event-flyer / brochure with logo or company name
- Screenshot of the Website copied in a word-document with date and hyperlink
- Written confirmations of the event organizer (e.g. thank you letter, including budget and evidence of the correct use of the funds and execution of the event)
- Written confirmation of attendance (sign-in sheets).