



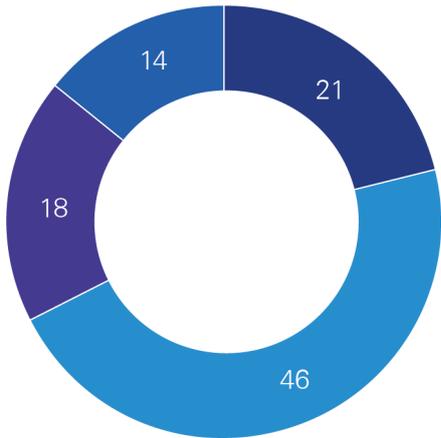
Investing in compliance

Working through the pandemic

The Life Sciences industry is at the center of the Covid-19 pandemic and has experienced accelerated growth as a result. Whilst corporate functions have largely worked remotely during this period, front-end sales and distribution teams have been active in the field in order to meet patient demand and maintain HCP interactions. In parallel, compliance monitoring appears to be reduced. For example, on-site review of third parties slowed during the pandemic, largely due to travel restrictions.

Life Sciences companies need to prepare for potential compliance risks associated with reduced monitoring activities during the pandemic, using technology

What is your current opinion about the cost of compliance for your organization in the Middle East region?



- Too high, but it is the cost of doing business
- Too low, more investment is needed but no plans or ability to do so
- About right
- Too low, actively seeking to invest to do so

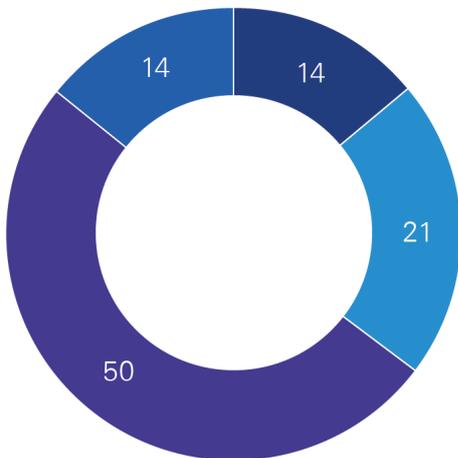
Source: KPMG Middle East Life Sciences 2020 Industry compliance survey

Compliance costs in the Middle East

While 46% of stakeholders felt that their organization's compliance functions are adequately staffed and their overall compliance cost is about right, one-third (32%) believed additional investment is required.

For 21% of respondents, Covid-19 has increased their compliance costs, however half (50%) indicate no change in spend. This may indicate the presence of strong compliance frameworks prior to the pandemic.

Has Covid-19 impacted your compliance costs?



- Yes - Increased compliance-related queries from stakeholders
- No, there is no change
- Yes, increased compliance risk
- Unsure

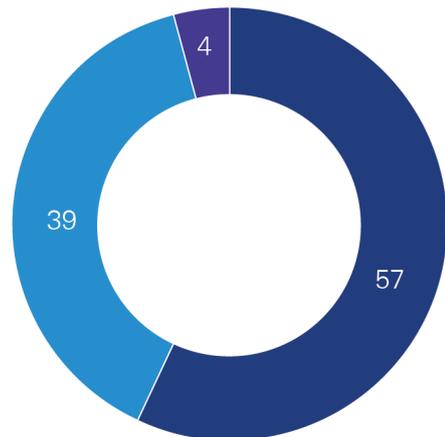
Source: KPMG Middle East Life Sciences 2020 Industry compliance survey

Seventy-eight percent of respondents anticipate increased regulatory focus that may, in turn, increase compliance cost over the next two years.¹ For example, Abu Dhabi recently announced the launch of a new group purchasing organization (GPO) to manage and develop the procurement of healthcare-related products and services, including pharmaceuticals, equipment and consumables.^{viii} Further, from our conversation with industry professionals, it is anticipated that the UAE will enact HCP transparency reporting

Ways to improve effectiveness in compliance

Nearly all (96%) industry professionals are investing in technology to support compliance and monitoring activities—a reflection of the fast pace of change and innovation in the region. More than half (57%) have projects in the works, while the remainder are in the planning stage.

Are you looking to increase the effectiveness of compliance in your organization through better use of technology?



- Yes - we have technological enhancement projects in process
- Yes - we have plans to do so
- No - Maintaining the status quo

Source: KPMG Middle East Life Sciences 2020 Industry compliance survey

More than two-thirds of respondents identified taking a proactive approach as an import element of improving the effectiveness of a compliance framework by:



enhancing data analytics for demand forecast



improving distributor stock management



analyzing distributor sell-out data

More than two-thirds of respondents agreed that industry data points on FMV for high-risk activities and key compliance risk trends is lacking in the Middle East region.

What do you feel are priorities in order to increase the efficiency and effectiveness of your compliance program regionally?



46% Regional industry-wide statistics to measure FMV in high risk spending areas



43% Auditing distributor debit notes and recharges



36% Enhancement of demand and stock management forecasting



29% Enhanced data modelling and monitoring of sell-out and distributor's customer profiling



21% Regional industry-wide statistics on other key financial metrics related to compliance



21% Automating compliance dashboards



7% Reducing audit footprint and associated cost



7% Outsourcing of compliance resources

Contact us



Nicholas Cameron

Partner | Head of Forensic,
Middle East

KPMG Lower Gulf

m: +971 56 683 3019

e: nicholascameron@kpmg.com



Alexander Tuscano

Associate Director | Forensic

KPMG Lower Gulf

m: +971 55 109 3796

e: atuscano@kpmg.com

kpmg.com/ae

Follow us on:



The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

© 2021 KPMG Lower Gulf Limited, licensed in the United Arab Emirates, and a member firm of the KPMG global organization of independent member firms affiliated with KPMG

International Limited, a private English company limited by guarantee. All rights reserved.

The KPMG name and logo are registered trademarks or trademarks of KPMG International.

Designed by KPMG Lower Gulf Creative team.

Publication number: 3300

Publication date: March 2021