

# EY Services for the Health & Life Sciences Sector

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Building a better  
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# Health & Life Sciences Sector Trends



## Socio-economic forces

Healthcare will cost the world US\$30 trillion by 2030 (WEF). Care will continue to take an ever-larger share of GDP and will require a greater proof of value

## Technology forces

There will be 41b IoT devices by 2027 (Business Insider). Sensors, IoT and AI will enable personalized and preventative care. Conversion to virtual, personalized and preventative models will require integration of new capabilities

## Required capital efficiency

Waste in health systems is estimated at 20-40% (WHO). Pressure moves from productivity and efficiency challenges, to more focused business models, and modernized infrastructure will require constant productivity assessments

## Customer centricity

Consumer acceptance of smart devices will reshape care delivery and will require a change in business model



Four irrefutable facts are affecting the Health and Life Sciences sector, triggering a shift in traditional industry models.



COVID-19 has accelerated the move toward care delivery outside the four walls of the traditional health system.

## Five trends to assess your strategic focus, to deliver a better Health Experience (HEX)

Health Experience (HEX)



### Humans at the Center

Consumer acceptance of patient-centered technology will reshape care delivery, and redefine health outcomes, value and service ...will require a change in business models



### Supply chain

Personalized products and services will increasingly command value ...will require investment in supply chain agility and transparency



### Outcomes

To outperform, companies need to pivot to value-based reimbursement using clinical-, society- and consumer-related metrics ...will require acceleration of innovative contracts



### Data

Companies need to connect and examine data to tailor products and services, to improve healthcare ...will require access to third-party data



### Sustainability

Sustainable practices are critical to an organization's long-term value creation and access to capital markets ...will require metrics to demonstrate environmental, economic and social contributions

# EY Health & Life Sciences Tax Solutions

The business and tax landscapes have changed dramatically, and the pace and complexity of change continues to increase. Governments are tempering the need for revenue with increased competition for labor and capital. Tax authorities are adapting their enforcement strategies, focus and policies in response to the changing dynamics of business. Companies are balancing competing priorities, ensuring they maintain compliance, while adding value.

Our coordinated tax professionals offer connected services across all tax disciplines, to help you thrive in an era of rapid change. We combine our exceptional knowledge and experience, with the people and technology platforms that make us an ideal partner for your tax-related needs.

EY has competencies in VAT, corporate income tax, international tax, transaction tax and tax-related issues associated with people, compliance and reporting, and law. We invite you to leverage our experience, knowledge and business insights to help you succeed.





# VAT Recovery to Rebates

## Background

- ▶ EY's VAT team is the leader in the Greek market, in the provision of a complete solution in respect of pursuing the recovery of VAT amounts corresponding to rebates granted in the years from 2015 to 2017.
- ▶ The tax and legal team in the Greek market provides assistance and support to Greek and foreign multinational pharmaceutical entities throughout the procedural steps necessary to pursue such recovery of VAT amounts.

## Process

- ▶ **Step 1** - Preparation and submission of the reservations to be submitted to the Tax Office accompanying the VAT return for the taxable periods in the years from 2015 to 2017, for which the Client should have been in the position to reduce its respective VAT liability on the basis of the quarterly notifications regarding the amount of the rebate granted as communicated to the latter by the National Health Organization (NHO / Ε.Ο.Π.Υ.Υ)
- ▶ **Step 2** - Preparation and submission of the administrative appeal(s) before the Dispute Resolution Committee of the Greek Ministry of Finance, in case the Tax Office would either respond negatively or not respond at all (implicit rejection) to the reservations submitted as per Step 1.
- ▶ **Step 3** - Assistance to the legal counsel to undertake the preparation of the appeals and representation of the client before the Administrative Courts (including the Supreme Administrative Court - if applicable), in case the Dispute Resolution Committee of the Greek Ministry of Finance would either respond negatively or not respond at all (implicit rejection) to the administrative appeals submitted as per Step 2.

## Why EY

- ▶ Our services include follow-up activities of the action steps undertaken and communications with the authorities as appropriate, as per Steps 1 and 2 (i.e. the Tax Office and/or the Dispute Resolution Committee).
- ▶ We are the leaders in the provision of these services as more than ten big pharmaceutical entities in Greece have entrusted us with the recovery of their huge amounts of VAT corresponding to the above rebates, which would be otherwise lost. Our success rate in the above pursue is 100% and guarantees the outcome of collection of any VAT receivable of any pharma company in Greece.





## R&D Tax Advisory

### Background

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- ▶ To attract new investments in Research & Development, Greek Income Tax Code (Law 4172/2013) has been recently amended and provides for a super-deduction of 100% for R&D expenses, including also depreciation of equipment and instruments used for the purposes of conducting R&D activities.
- ▶ In order to benefit from this regime, companies undertaking R&D activities in Greece, along with the submission of their annual income tax return, may submit to the General Secretariat for Research and Innovation (GSRI/ΓΓΕΚ) of the Greek Ministry of Development & Investment their R&D expenses incurred within the respective year, together with all necessary supporting information and relevant documentation.

### Process

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- ▶ Step 1 - Assessment of the eligibility of the company to apply for the R&D tax incentive regime - The criteria for the characterization of expenses as R&D are determined by means of a joint decision issued by the Greek Ministers of Finance and Development & Investment.
- ▶ Step 2 - Preparation of the R&D tax deduction Claim and Day-to-Day Support- GSRI issues on an annual basis (around mid-June) an announcement inviting all companies undertaking R&D activities in Greece, to submit their R&D expenses. This announcement indicates in detail all supporting information and relevant documentation that need to be submitted before the GSRI for the substantiation of the R&D nature and economic objective of the project, to which such expenses correspond.
- ▶ Step 3 - Submission of the R&D tax deduction claim and follow-up communications with GSRI - The R&D tax deduction claim should be submitted no later than the late day of submission of the annual income tax return.

### Why EY

- ▶ Investment in research and development (R&D) is an important driver of innovation and economic growth. EY Tax Team is the leader in the provision of tax advisory and support services to Greek companies investing in innovation.
- ▶ EY Tax Team provides full tax support and assistance to companies that wish to subject the R&D expenses they have incurred in the above-mentioned regime.



# EY Health & Life Sciences Law Practice Services

The Healthcare & Life Sciences Law Practice of the associated with EY Greece “Platis-Anastasiadis and Associates Law Partnership”, is a multidisciplinary team, uniquely positioned to meet our clients’ most complex needs, through our combined expertise, knowledge and deep understanding of all related aspects in the Health & Life Sciences business sector.

We understand the scientific, commercial and the legal imperatives affecting our clients’ business in the pharmaceutical, medical devices and life sciences sectors and provide innovative, tailor-made and high-quality advice and support.

Our legal advice and support services cover a wide range of issues, including Compliance and Ethics, Pricing and Reimbursement, Clawback and Rebates, Audits and Investigations, Regulatory Requirements, Commercial Collaborations, M&A and Corporate Reorganizations, Marketing and Promotional Activities, Competition and Anti-trust concerns, Data Privacy, IP Strategy and Disputes, and Public Procurement.

EY Health & Life Sciences Law Practice can help you achieve and sustain benefits for your organization



# EY Law Practice Services



## Advisory on Complex Regulatory Schemes

### What we do

Tailor-made advice on complex regulatory matters and projects, such as patient-centric schemes, pricing and reimbursement, clawback and market access.



### Value Added

We can provide gap analysis and compliance checks of different schemes and restructurings of the company's policies, propose recommendations or mitigation plans and protect the company from any inherent legal and compliance risks.



## Compliance Services

### What we do

Compliance programs, trainings and exercises on regulatory and competition law issues.



### Value Added

We can provide clients with alternative forms of support to secure readiness for different types of risks, such as dawn raids from different authorities, including drafting or updating of policies, performing of trainings and conducting audits to enable the company increase compliance levels and protect its interests when faced with potential investigations or litigation proceedings.



## Full Fledge Support on Legal Issues

### What we do

Full-fledged support on a wide variety of legal issues ranging from M&A to regulatory matters and commercial arrangements, as such are addressed in the particularities of the highly regulated healthcare industries.



### Value Added

All these standard transactions and arrangement always present additional challenges due to application of a strict regulatory regime and we may facilitate and solve different issues that are pertinent and achieve a smooth closing of the relevant deal and or agreement.

## EY | Building a better working world

EY exists to build a better working world, helping to create long-term value for clients, people and society and build trust in the capital markets.

Enabled by data and technology, diverse EY teams in over 150 countries provide trust through assurance and help clients grow, transform and operate.

Working across assurance, consulting, law, strategy, tax and transactions, EY teams ask better questions to find new answers for the complex issues facing our world today.

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