



HCP/HCO Disclosure

Methodological note

2026 Disclosure Report of Transfers of Value made in 2025

Introduction

In 2014, by introducing the disclosure requirements, EFPIA and its members APME have demonstrated their commitment to self-regulation but also the legitimacy of the interactions with HCPs, and HCOs.

Member Companies and companies that are members of Member Associations are required to disclose transfers of value¹ made to HCPs and HCOs. This disclosure includes, by HCP or HCO, the total amounts of value transferred, by type of activity.

The disclosure is aligned with the laws and regulations of Estonia. The methodological note is required for disclosure based on the EFPIA Code requirements as transposed in national code provisions.

This methodological note defines the relevant types of transfers of value disclosed, which transfers of value are eventually excluded, and other relevant information to assist the reader to understand how MSD collected, organized and reported the disclosed data.

Definitions

- **Recipients** typically refer to any individual or entity that receives a payment or benefit from MSD as part of their collaboration or interaction. The type of recipients include:
 - **Healthcare Professionals (HCPs):** This category encompasses any member of the medical, dental, pharmacy or nursing professions or any other person who in the course of his/her professional activities may prescribe, purchase, supply, recommend or administer a medicinal product and whose place of business is in Europe. The

¹ Transfers of Value are direct and indirect payment, whether in cash, in kind or otherwise or reimbursement provided to HCPs and HCOs.

- term “healthcare professional” also covers: (i) any official or an employee of a government, government agency or other organisation (both in the public and the private sectors) who may prescribe, buy, supply, recommend or administer medicinal products; and (ii) any employee of a Member Company who mainly acts as a practising healthcare professional (excl. all other employees of the Member Company and wholesalers or resellers).
- **Healthcare Organizations (HCOs):** means any legal entity: (1) that is a healthcare or medical or scientific association or organisation such as hospital, clinic, university or a professional society whose headquarters or place of business is in Europe; or (2) through which one or more healthcare professionals provide services. Patient Organisations are not considered as Healthcare Organisations.
 - **Patient Organizations:** means a non-profit organisation (incl. umbrella organisation) whose membership consists mainly of patients and/or their carers and that represents and/or supports the needs of patients and/or their carers and whose headquarters or primary place of business is in Europe
 - **Transfers of Value (ToV)** refer to both direct and indirect ToV, whether in cash, in kind or otherwise, made, whether for promotional purposes or otherwise, in connection with the development and sale of medicinal products for human use. **Direct ToVs** are those made directly by MSD for the benefit of a Recipient. **Indirect ToVs** are those made by a third party (such as a contractor, travel agent, business partner, or affiliate) on behalf of MSD for the benefit of a Recipient where MSD knows or can identify the Recipient that will benefit from the ToV.
 - Below are the category types of ToV, along with their definitions:
 - **Donations and Grants** mean providing funds, goods, or services freely to support healthcare, scientific research or education, charitable causes or specific projects that do not yield a direct benefit to MSD, including investigator-initiated studies that do not meet the definition of Research & Development ToVs).
 - **Sponsorships** are defined as funding in support of an event, meeting, program, or other type of project that is related to medical education, scientific information sharing, or other related

information sharing when MSD receives booth or stand space, opportunity to display company banners, opportunity to conduct an ancillary meeting, or other opportunities to have its name, scientific information or medical products associated with the activity.

- **Contributions to Costs of Events** are ToV made to cover expenses associated with promotional, scientific, or professional meetings, congresses, conferences, symposia, and other similar events (including advisory board meetings, expert input forums, group input meetings, visits to research or manufacturing facilities, and planning, training or investigator meetings for clinical trials and non-interventional studies), organized or sponsored by or on behalf of MSD. These costs may cover the costs of meals, travel, accommodation, and/or registration fees to support the attendance of an individual HCP.
- **Fees for Services and Consultancy** are ToV made for professional services, such as speaker fees, consulting or advisory board fees, or participation in studies not in the scope of R&D ToV as defined below. This category pertains to direct compensation for specific services rendered by HCPs and HCOs.
- **Research and Development (R&D) ToV** are related to the planning or conduct of (i) non-clinical studies (as defined in OECD Principles on Good Laboratory Practice), (ii) clinical trials (as defined in Regulation 536/2014); or (iii) prospective non-interventional studies that involve the collection of patient data from or on behalf of HCPs specifically for the study.



Disclosure's scope

- **Products concerned:** the report includes all reportable ToV related to MSD prescription-only-medicines.
- **Companies concerned:** the report includes all reportable ToV made to Recipients in Estonia by MSD [MERCK SHARP & DOHME OÜ] as well as Merck & Co., Inc., Rahway, NJ, USA and its affiliates.
- **Excluded ToVs** under the EFPIA disclosure framework typically refer to the following:
 - **Meals.** MSD does not provide or offer any meal (food and beverage) to HCPs, HCO members and PO Representatives, unless the value of such meal does not exceed the monetary threshold set by the relevant industry association. For meals in connection with events taking place in Estonia the monetary threshold is €80. Any ToV below this amount is not disclosed in this report.
 - **Informational or educational materials and items of medical utility** provided by MSD do not require disclosure, provided they meet specific criteria detailed in the EFPIA Code of practice: they are (i) inexpensive; (ii) directly relevant to the practice of medicine or pharmacy, (iii) directly beneficial to the care of patients; and (iv) do not offset routine business practices of those who receive them.
 - **Medical Samples** are excluded from the disclosure report. In accordance with national and/or EU laws and regulations, MSD may supply a limited number of medicinal products on an exceptional basis and for a limited period.
 - ToVs that are part of **ordinary course purchases and sales** of medicinal products by and between MSD and a HCP (for example a pharmacist) or a HCO.
 - ToVs Related to **Patients** and **non-HCPs**.
- **ToVs date:** Direct ToVs are disclosed based on the date MSD made the ToV, not when the resulting income or benefit was received by the HCO/HCP. Indirect ToVs concerning travel and accommodation are disclosed based on the start date of the event.



- **Direct ToVs.** The natural or legal person that holds the bank account on which the money is transferred is considered the recipient of the ToV and will be disclosed. Direct ToVs are captured in the ERP System and flow into MSD transparency reporting system. They are then mapped to the appropriate EFPIA disclosure ToV category for reporting.

- **Indirect ToVs.**
 - **Indirect ToVs through Professional Conference Organizers (PCOs).** When an event (e.g., congress, conference, symposium) is organized by a third party and the ToV is paid to that third party, and we know or can identify the HCO that will benefit from the ToV, we will disclose that ToV under the name of the relevant HCO. As a general principle, we report the full sponsorship amount. We will report a smaller amount only if we are specifically informed about the actual ToV that was transferred to the HCO. For example, this may occur when the HCO has licensed the name of an established event and receives only a set percentage of sponsorship funds as license fees.

 - **Indirect ToVs to HCPs through HCOs.**

If we learn that part of ToVs we provided to a HCO have been forwarded to HCPs, we will disclose each such ToV under the name of the relevant HCP and the remaining part under the name of the HCO.

 - **Indirect ToVs through third parties for R&D activities.** We will not disclose details of any ToV provided to CROs engaged by us except in the following situations:
 - If the CRO is made up of healthcare professionals or is affiliated with a medical institution (such as a university hospital or a publicly funded organization). In this case, the CRO is treated as an HCO, and any ToV provided to it will be published in line with the general rules.
 - If the CRO is used as an intermediary to provide ToVs to HCPs and HCOs (“pass-through costs”). In this case, we will publish those ToVs in accordance with the general rules.

- **Indirect ToVs through other third parties**
 - Distributors and other commercial partners: In principle, ToVs made to HCPs/HCOs by distributors and other commercial partners working with MSD are disclosed by these distributors and commercial partners according to the disclosure requirements which apply to them. However, if the distributor makes a ToV on behalf of MSD (e.g. influencing the promotional activities and selection of recipient), that ToV is disclosed by MSD.
 - Travel agencies and other companies engaged by MSD to arrange travel and accommodation for HCPs: Travel agencies are contractually obliged to provide MSD with accurate information with respect to travel and accommodation costs which have actually been provided to individual participants. MSD discloses the related ToV except for the administrative costs of that travel agency will not be reported.
- **Non-monetary ToVs.** Non-monetary transfers of value are disclosed based on the financial valuation of the benefits (goods / service time spend etc.) as available on the market. For example, lending a meeting room in our office for the benefit of an HCO or a PO would be determined by the cost of renting a similar meeting room in a hotel.
- **ToVs in case of partial attendances or cancellation and refund.** ToVs are reported based on what MSD paid, and not on what the Recipient received. Therefore, in case of partial attendance, the full amount paid by MSD is reported. In case of cancelled events, any costs incurred by MSD are reported provided that (i) events are cancelled for reasons that are independent of MSD (e.g. war, pandemic, late HCP cancellations), (ii) MSD could not get totally refunded and (iii) the benefitting HCPs are clearly identified (e.g. HCPs who formally agreed to attend).
- **Cross-border activities.** MSD [MERCK SHARP & DOHME OÜ] discloses all reportable TOVs made to any HCP, HCO, and PO as applicable whose primary practices, principal professional addresses or places of incorporation are in Estonia regardless of whether the TOV is made by MSD



[MERCK SHARP & DOHME OÜ], Merck & Co., Inc., Rahway, NJ, USA or any of its group affiliates. Any TOV made by MSD MERCK SHARP & DOHME OÜ] to HCPs, HCOs, and POs as applicable whose primary practices, principal professional addresses or places of incorporation are in another country will be disclosed according to the national requirements of that country.

- **R&D.** Under the EFPIA guidance on disclosure of Non-Interventional Studies (NIS), TOVs relating to NIS that are **prospective** in nature are reported on **aggregate** level in the R&D category, whereas TOVs relating to **retrospective** NIS are reported on an **individual** HCP/HCO named basis in the 'Fee for service and consultancy' category. In case ToVs cannot be distinguished whether they report to prospective or retrospective NIS, they are reported on an individual HCP/HCO named basis.

Specific considerations

- **Country unique identifier**

As guidance under the professional code in EFPIA countries, unique identifiers include:

- Full name
- For HCPs: city of principal practice
- For HCOs: city of registration
- Country of principal practice
- Physical address of the principal practice

These details may only be publicly disclosed in accordance with applicable local personal data protection laws and regulations. The unique country-specific local identifier field will be completed only when the relevant data is available.

- **Self-incorporated HCP.** Disclosure is made based on the Recipient's identity. A TOV made to a legal entity owned by an HCP is disclosed under the name of the legal entity (an HCO) and not under the HCP's name.
- **Multi-year agreements.** Disclosure is made based on the year the actual ToV was provided and not based on a pro rata amount of the intended total ToV under the agreement.



- **Quality Checks.** Data will be pre-validated before it is consolidated and prepared for disclosure. Data validations are performed regularly throughout the year and cover all sources of data. There are control steps and error reports within the process to immediately identify missing data and mismatches. The quality check is linked to a KPI and subject of a regular and frequent review. Data checks are following a methodology performed in and above countries.

Data protection legal basis

- **Consent collection.** Before any engagement with MSD, each individual HCP is asked whether they agree to the disclosure of TOV received from MSD during the calendar year. They always have the right to legally object to the processing of their data. In this case the TOV will be published in the aggregate form so they could not be identified. The number of Recipients included in the aggregate disclosure is included in the total number of Recipients disclosed (respectively under the HCPs and HCOs disclosures).
 - Individual HCPs also have the right to legally **withdraw** their consent after it has been originally granted. In this case, their individual TOV related data will be deleted from the individual disclosure section and added to the aggregated disclosure section of the report.
 - If an HCP grants partial consent to any aspect of disclosure e.g. the recipient does not allow disclosure of all categories or of all ToV, all ToV made to that individual HCP are disclosed in the aggregate section of the report.

Form of Disclosure

- **Date of publication.** The present report was published on 29 May, 2026 and lastly modified on 29 May, 2026 and covers all TOVs made between Jan. 1st and Dec. 31st 2025.
- **Disclosure platform.** The present report is published on <https://www.msd.ee/majanduslike-suhete-avalikustamine>
- **Disclosure language.** The present report is published in Estonian.

Disclosure financial data

- **Currency.** All disclosed ToVs are reported in EUR. As a matter of principle, ToVs paid in other currencies were converted to EUR at the exchange rate



applicable on the date the cost was incurred. As an exception, Indirect ToV's for Travel and accommodation that were received from MSD entities abroad, were converted to EUR at the reporting day's exchange rate.

- **Taxes.** TOV reflects the actual value or cost paid by MSD to the Recipient after taxes have been deducted (net amount). They are exclusive of VAT except for ToV for travel and/or lodging that is invoiced for reimbursement by the HCP, which is disclosed inclusive of VAT.

Additional information

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