



EUROPEAN COORDINATION COMMITTEE OF THE RADIOLOGICAL, ELECTROMEDICAL AND HEALTHCARE IT  
INDUSTRY

**FINAL VERSION 25/9/14**

## **COMBINED CODE OF CONDUCT AND Q&A**

### **ON INTERACTIONS WITH HEALTHCARE PROFESSIONALS**

#### **Statement by all Company Members of COCIR**

COCIR is dedicated to the advancement of medical science and the improvement of patient care.

As participants in an industry largely funded from public funds, COCIR company members recognise that adherence to the highest levels of integrity and ethical standards and compliance with all industry laws are critical.

Accordingly, the company members of COCIR adopt this Code of Conduct, which represents our collective commitment to the highest standards of integrity. It is intended to supplement and not supersede any legal requirements and individual member company codes.



**Why are COCIR Company Members adopting this Code?**

Our industry manufactures and sells products and solutions which improve the lives of millions of patients.

Much of the healthcare sector is financed directly or indirectly by public money. It is essential that our industry, along with all participants in this sector, adhere to certain principles, which embody the high standards we expect of ourselves and which society expects of us.

The COCIR Code is designed to ensure public confidence in the ethical standards of our industry.



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**1. Introduction**

This Code of Conduct becomes effective 1<sup>st</sup> January 2015 and governs COCIR company members' ("Members") interactions with Healthcare Professionals.

"**Healthcare Professionals**" refers to individuals (and the institutions for which they work) involved in the decision making process resulting in the procurement of Members' products or services. This includes doctors, nurses, hospital managers, and consultants employed by hospitals.

**Should Members provide copies of this COCIR Code to Healthcare Professionals (HCP)?**

Yes. You are strongly encouraged to provide this COCIR Code to HCPs and to participate in educational efforts to help them to understand the ethical and legal requirements and limitations Members are facing.

This Code applies to Healthcare Professionals in geographic Europe.

**Where and for whom does the Code apply?**

The COCIR Code applies to geographic Europe from the Atlantic to the Urals.

a) Interactions in geographic Europe are covered by the COCIR Code, regardless of where the HCP comes from.

b) Interactions outside geographic Europe are covered by the COCIR Code if the HCP is admitted to practise inside geographic Europe.

So, if a doctor is admitted to practise in Germany, interactions with him/her are covered by the COCIR Code at all times, wherever he/she is in the world.

Likewise, an American doctor attending a conference in Europe will be covered by the COCIR Code for the duration of their stay in Europe.

If there is any conflict between the COCIR Code and any other code applying to the doctor in question, then the stricter code will apply. So, an American doctor in Europe who is subject to the MITA Code of Conduct will remain subject to it, even while in Europe.



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Members agree to pass on the responsibility to comply with the principles contained in this Code to their dealers and agents.

**What happens if a dealer violates the COCIR Code?**

The Members agree to pass on the obligation to abide by the principles contained in this Code to their dealers and agents.

If a Member discovers a violation by a dealer or other representative, the Member must take appropriate action against that third party.

**What should I do if someone asks me to do something which would not follow the COCIR Code?**

If anyone, including a HCP, asks you not to follow the terms of the COCIR Code, show them the COCIR Code and explain why you cannot do so and that the COCIR Code has been adopted by the whole industry.

In appropriate circumstances, you may also choose to involve your own legal counsel or compliance manager, legal counsel for the HCP or other authorities, depending on the nature and seriousness of the improper request.

This Code is not intended to replace or supersede supranational, national or local laws or regulations or professional codes (including company codes) that may impose particular requirements upon Members or Healthcare Professionals.

**What is the relationship between the COCIR Code and other industry codes and what if they are different?**

Several industries in the healthcare sector have adopted codes of conduct. There are many common themes, but if you believe more than one code applies to you, and there is a conflict between them, you should apply the stricter code.

**EFFECTIVE ON 1 JANUARY 2015**



**What is the relationship between the COCIR Code and the law?**

The COCIR Code does not replace the law. Where there are legal standards, it is the responsibility of Members to comply with them. Members are expected to comply with the law and with the COCIR Code, whichever is stricter.

**What should Members do to ensure internal compliance with the COCIR Code?**

Members should adopt an adequate compliance program to ensure conformity with this COCIR Code. This compliance program could involve executive management, legal, compliance and accounting personnel in the following activities:

- (i) educating Member personnel about their obligations under applicable laws and regulations;
- (ii) setting procedures for the types of funding, payments, expenses, grants, gifts, donations, compensation, or activities discussed in the COCIR Code;
- (iii) conducting due diligence with respect to the activities discussed in the COCIR Code; and
- (iv) monitoring and auditing the types of funding, payments, expenses, grants, gifts, donations, compensation, or activities discussed in the COCIR Code for compliance with law and regulations.

**2. Basic Principles**



The following fundamental principles form the foundation of this Code:

- 2.1 *The Separation Principle* – A clear separation should exist between any advantages or benefits granted by Members to Healthcare Professionals and the decision making process resulting in the procurement of Members’ products or services. The purpose of this principle is to prevent undue, improper advantages or benefits influencing such procurement.

**What is the aim of the Separation Principle?**

This fundamental principle concerns the question of separation of benefit from influence. The concept is to ensure that choices by HCPs in business transactions are made only on legitimate grounds.

Proper influence involves solely the objective conditions of the relevant Member’s offer, namely price, quality, specifications or service. The Separation Principle ensures that a HCP’s decisions are not influenced by other undue considerations.

- 2.2 *The Transparency Principle* - Advantages or benefits to Healthcare Professionals should be disclosed to their institution’s administration or management and also, if required, to local authorities.

**How far does the Transparency Principle extend?**

The Transparency Principle extends to all advantages and benefits beyond:

- a) branded promotional items of a modest value;
- b) business meals (or other hospitality) subordinate in time and focus to the legitimate purpose of a meeting.

For instance, it does not extend to branded promotional pens, but it does extend to invitations to conferences, trade fairs etc.

However, please remember that today, local laws and regulations applicable to the HCP in question (e.g., the HCP’s code of conduct or employment rules) are often stricter and must be observed.



- 2.3 *The Proportionality Principle* - Any consideration given to a Healthcare Professional in exchange for a service or other performance should not exceed fair market value.

**What does fair market value mean?**

Fair market value means a fair rate of pay for the work done – the normal rate in the market for somebody of the experience and qualifications in question.

You should always pose the question “Would you pay the same for somebody who isn’t a customer or a potential customer?”

Different valuation methods may be used to establish fair market value. In all instances, a Company should use objective, verifiable criteria. The method or methods used by a Company should be documented.

- 2.4 *The Documentation Principle* - The granting of any advantages or benefits to Healthcare Professionals by Members should be documented.

**Why do I need documentation?**

Documentation enables you to prove compliance with the COCIR Code and serves for your own protection. It is also a precondition for transparency.

**Who is responsible for obtaining the approval - the Member or the HCP?  
Do we need a written statement from the hospital administration?**

Both are responsible. You must at least be able to document a confirmation of such approval. You may either address the HCP or his/her administration for such confirmation. However, if only the HCP is addressed, he/she should confirm in writing to you that approval has been obtained from the administration.

You should always reserve the right to demand written confirmation from the HCP’s administration itself.



**What if the HCP doesn't want to disclose the benefit to his/her management?**

First, you should review the benefit – if the HCP doesn't want to disclose it, it may indicate that the HCP has doubts about the appropriateness of the benefit.

Second, you can offer to address the HCP's administration yourself.

If in the end, there seems to be no way to properly disclose the benefit, you need to retract the benefit offered.

**What is the purpose of the four principles?**

**3. Meetings - Organized by Members**

- 3.1 *Purpose.* The meeting should have a genuine educational, scientific or business purpose as its primary purpose and there must be a legitimate reason for inviting each Healthcare Professional to the relevant event.
- 3.2 *Meeting locations.* All Member organized meetings should be conducted at an appropriate location and venue.

**What is an appropriate location or venue?**

This means a location which is conducive for the transfer of information, knowledge, training and skills. It must be somewhere where people can actually speak to each other in suitable surroundings.

For example, a training or educational meeting should be at the Members' own office facilities, a laboratory, or a conference facility designed for meetings.

It is possible to exchange information meaningfully in some settings which are more overtly social, for example a restaurant.





- 3.3 *Permitted Expenses.* Members may pay for reasonable travel and lodging costs incurred by Healthcare Professionals for attending Member organized meetings.

**What does “reasonable” mean in the context of travel, lodging and hospitality?**

The exact meaning of “reasonable” depends on the context.

First, in the case of travel, consider whether the travel is needed at all. There must be a genuine educational purpose to the meeting. If a European doctor can get the same information or training at a congress in Australia or a few weeks later in Germany, it is only appropriate to send him to the congress in Germany.

Next, consider that “reasonable” will not always mean the cheapest available, but the economically soundest. Normally, economy class travel will be sufficient. You should consult your own company’s internal travel regulations as these will provide a good benchmark. A similar approach applies to the selection of accommodation and food. Normally, a restaurant with a Michelin star will not be reasonable. You should consider what the individual in question would pay for themselves.

- 3.4 *Separation from Sales.* It is always inappropriate for Members to organize hospitality for the purpose of inducing Healthcare Professionals to enter into a business transaction. It is also inappropriate for Members to arrange hospitality contingent upon past, present or future business transactions.



- 3.5 *Guests.* It is inappropriate for Members to invite to a meeting any other person without a professional interest in the meeting, such as the spouse or guest of a Healthcare Professional. Members will ensure that their invitations will not be interpreted as extending to such individuals. It will always be inappropriate for Members to pay for the travel or lodging expenses for such individuals. In addition, it will be inappropriate for Members to pay for the expense of meals and hospitality for such individuals, except in the rare circumstances where such a guest appears at an event (such as dinner) despite not being invited, in which case the reasonable cost of a meal and hospitality may be borne by the Member.

**What about guests?**

To avoid embarrassing situations, all invitations to HCPs should clearly state that guests are not included and the invitee will have to pay for any guest expenses (e.g. if their spouse stays in the same hotel).

Members should go further and take active steps which make it clear to an HCP that a guest will not be welcome, for example by the use of a personal voucher or ticket system for hospitality events.

However, if notwithstanding these steps, guests appear uninvited (e.g. the spouse of the HCP), for example at a hospitality event, Members may pay for the reasonable expenses of a meal or related hospitality. The amount should reflect the actual costs.

**4. Conferences – Organized by Third Parties**

- 4.1 *Sponsoring Conferences.* Members may support conferences organized by third parties. They may provide financial grants to conference organisers under the following conditions:



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- (a) the conference is primarily dedicated to promoting objective scientific and educational activities;
- (b) the conference organiser is responsible for and controls the selection of program content, faculty, educational methods, and materials;
- (c) the support of a conference by a Member is clearly stated in advance of and at the meeting; and
- (d) the support is not specifically granted for any entertainment or hospitality.

**What is meant by “third party”?**

A third party is an individual or entity that is neither a Member nor a HCP.

**May I pay specifically for the entertainment elements of a third party conference?**

No. Members are permitted to only sponsor activities that are conducive to the exchange of information about products, services and scientific information. It is for the third party conference provider to organize and pay for entertainment.

- 4.2 *Financial support.* Financial support provided by Members to Healthcare Professionals to cover the cost of conference attendance by individual Healthcare Professionals should be limited to the conference registration fee, reasonable travel and meals and accommodation relating to attendance at the event and/or reasonable honoraria for a speaking engagement. Such support shall be documented in writing and be disclosed to their institution’s administration or management.

**If a Member provides 100% of the funds for an educational program run by a third party, and that third party controls how the funds are spent, is this permitted?**

As long as the Member does not control the content of the program or the manner in which the third party spends the funds and provided the conference is primarily dedicated to promoting objective, scientific and educational activities, this is permitted.



**Is it appropriate for a Member to provide a speaker for an educational program sponsored by a HCP, if the HCP requests the Member to do so?**

Yes.

**What about guests?**

See above under 3.5

## **5. Hospitality**

- 5.1 *In connection with Meetings or Conferences.* Members may pay for reasonable hospitality in the form of meals, drinks, receptions and entertainment (e.g. a music, sports or theatre event) in connection with the program of a meeting or conference. However, any such hospitality should be in accordance with local law, subordinate in both time and focus to the purpose of the meeting or conference.

**What is the meaning of “subordinate in time and focus”?**

Be aware that non-business elements of meetings with HCPs are in focus of many recent laws and enforcement actions, and that in many countries, such elements are completely forbidden in any case.

Even if you are sure that non-business elements of meetings are allowed, consider whether the HCPs would attend the meeting without the non-business element.

A meeting during the working day and dinner in the evening satisfies the test that the hospitality is subordinate in time. If the meeting is in the morning and the attendees are allowed to go skiing in the afternoon, this does not satisfy the test.

If you have a two day meeting or a conference involving a variety of events, then a social event, for example, a visit to a concert at the end of the meeting will satisfy the test of being “subordinate”. You should also ensure any such event is “reasonable”, as described above.



- 5.2 *Unconnected with Meetings or Conferences.* Members may pay for business meals and drinks that take place in a setting that is conducive to business discussions and is not selected because of its leisure or recreational facilities. However, Members may not pay for any other kind of hospitality, for example in the form of entertainment as described in 5.1.

**What is the purpose of this section?**

This section aims to allow and regulate business meals: Members are permitted to pay for such meals and drinks. However, Members should ensure that such hospitality is reasonable in nature and occasional.

**6. Consultancy**



- 6.1 *Agreements in writing.* Consultancy agreements between Members and Healthcare Professionals must be in writing, signed by both parties, and specify all the services to be provided. Services may include clinical and scientific advice, speaking engagements, participating on advisory boards, advising on new product development, conducting demonstrations and writing abstracts.
- 6.2 *Separation from sales.* Consultancy agreements between Members and Healthcare Professionals should not be made on the basis of the volume or value of business generated by Healthcare Professionals or the institution with which the Healthcare Professional is affiliated or be contingent on past, present or future business transactions.

**May a Member ever enter a consultancy arrangement with a HCP as part of a sales transaction?**

If a Consultancy agreement is requested by the customer for legitimate reasons, at the time of a sales transaction, then, provided the consulting relationship meets all of the requirements of the COCIR Code and especially Section 6, it may be entered as a separate agreement contemporaneously with a sales agreement.

6.3

institution with which the Healthcare Professional is affiliated.

- 6.4 *Fair market value compensation.* Compensation paid to Healthcare Professionals for consultancy should not exceed fair market value for the services provided.

**What does fair market value mean?**

See above under 2.3



- 6.5 *Legitimate need.* Members should only enter into consultancy agreements where a legitimate need and purpose for the contracted services has been identified in advance.
- 6.6 *Consultant qualifications.* Selection of consultants should be made on the basis of the Healthcare Professionals' qualifications and expertise to address the identified purpose.

## 7. Gifts

- 7.1 *Limitation on gifts.* Generally gifts are discouraged. However if given, they should be in accordance with local law, occasional and of modest value, and must never leave the recipient in a position of obligation or be perceived to affect the outcome of a business transaction or potentially expose the business to undue influence.

### **What does modest mean?**

Modest has its common sense meaning – it means that the gift should not be particularly noteworthy, but should be of the kind which is normally exchanged in the social setting which applies.

### **What gifts would be acceptable under the Code?**

If allowed under national law and modest, acceptable gifts may include company branded promotional items, items that relate to the Healthcare Professional's practice, items that benefit patients and items that serve a genuine educational purpose.

### **What is a promotional item?**

An item of branded products manufactured by a Member, usually carrying the Member's branding, for example, a disposable pen, an umbrella or a hat.



**What is the meaning of “occasionally” in this context?**

Gifts should be given only because of specific events, e.g. a noteworthy event where normal manners require that a gift be offered (e.g. on a retirement or an anniversary). Gifts should not be routinely offered. This is for the obvious reason that multiple gifts each worth €50 quickly add to a level which is more than normal and may start to influence the HCP in a way which will breach the Separation Principle.

- 7.2 *Never cash or cash equivalent.* A gift shall never consist of cash or cash equivalent.

**8. Charitable Donations**

- 8.1 *Charitable Purpose & Recipient.* Members may make donations for a charitable purpose. Donations should be made only to charitable organizations.

**What’s the difference between a gift and a charitable donation?**

A charitable donation is made to an institution, not an individual.

There are a number of tests to determine what is “charitable”, and this varies from country to country. Consult with your Legal or Compliance Department and follow your company’s process for approving such charitable donations.

**How can a Member ensure that a charitable organization is bona fide?**

A good test is to check whether the charitable organization has been properly registered as such according to the requirements (if any) of the country where the charitable organization has its principal office.





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- 8.2 *Separation from Sales.* It is inappropriate for Members to make charitable donations for the purpose of inducing Healthcare Professionals to enter into a business transaction. It is also inappropriate for Members to make charitable donations contingent upon past, present or future business transactions.
- 8.3 *Transparency.* The recipient of the donation and the recipient's planned use of the donation should be documented. Members must be able to justify the reason for the donation at all times.

**May a Member consider a request for a charitable donation made in the name of an individual HCP?**

No. A Member must only consider requests made in the name of the charitable organization and in accordance with its statutes.

- 8.4 *Evaluation & Documentation.* Members are recommended to establish a process whereby they can ensure that requests for charitable donations are evaluated separately from the Member's commercial activities and such requests are consistently documented.

**May a Member make a charitable donation to a HCP's event, when the proceeds earned from the event will be used for the general funding of the recipient HCP?**

No. The general running costs of the HCP are not a charitable purpose.

**May a Member make a charitable donation to a charitable foundation if that foundation is also a HCP?**

Yes, provided the donation is clearly separated from sales, that is:

- (a) it does not result in the purchase of the Member's products or services; and
- (b) it is not made to induce an HCP to purchase, lease, recommend, or use the Member's products or services.



**How should a Member determine whether the proceeds will be used for a charitable purpose?**

The Member should conduct due diligence into the proposed charity to determine whether the funds will be used for a bona fide charitable purpose as opposed to being used for the general operating expenses of the HCP such as salaries, capital improvements and equipment purchases.

**9. Public Procurement**

- 9.1 *Main principles.* Members value the main principles of the public tendering laws: transparency of tendering processes and fair and equal treatment of all bidders.
- 9.2 *Improper influencing.* It is always inappropriate for Members to offer, directly or indirectly, gifts or other benefits in order to improperly influence Healthcare Professionals in the public tendering process. Members shall refrain from any activities that are likely to be seen as aimed at improperly influencing Healthcare Professionals.
- 9.3 *Technical specifications.* Members acknowledge that it is important that Contracting Authorities formulate open and objective technical specifications to afford fair and equal access to bidders.

**To what extent are Members free to assist Contracting Authorities in formulating technical specifications?**

In general, Members are free to provide technical and product information to Contracting Authorities. However during the preparation phase of the public tender, they should do so in a way that it does not aim to unjustifiably exclude competitors from the tendering procedure or to unduly favour one supplier.

In particular, Members should not assist Contracting Authorities to illegally bias



- 9.4 *Exemptions from public tendering procedures.* Members understand that Contracting Authorities have only limited possibilities to exempt themselves from public tendering procedures. Members should not encourage Contracting Authorities to unduly seek such exemptions.

**What about exemptions from Public Tendering Procedures?**

It is the Contracting Authorities' obligation to determine whether or not an exemption applies. In cases where the relevant conditions for exemptions from public tendering procedures are clearly not met, Members should take appropriate action before responding to Contracting Authorities' requests.

**How should I contact the Contracting Authority?**

Members agree to contact Contracting Authorities during the tendering procedure only as permitted in such procedure. Members will refrain from taking any actions which could unduly influence the decision-making of the Contracting Authority. Contacts with Contracting Authorities during tendering procedures should be done only through official and transparent ways.



- 9.5 *Consultants, use of third parties.* Where a Member, as part of a technical dialogue or otherwise, acts as an independent consultant for the Contracting Authority, that Member shall do so only in a way that would not violate the principle of equal treatment of bidders.
- 9.6 *Notice of future tenders.* More specifically, where a Member, acting in a role of an independent consultant for the Contracting Authority, is or reasonably should be aware of the likelihood of a future tender arising as a result of the consulting services the Member provides to the Contracting Party, and which the Member intends to participate in, that Member shall request that the Contracting Authority issues an appropriate notice of any such future tender so that all potential bidders may have equal and fair notice of that tender opportunity and are aware of the role of the Member in a transparent way.
- 9.7 *Amendments to contract or scope of supply.* Members understand that during or after the tendering procedure, Contracting Authorities will have only limited possibilities to make changes to tender documentation, contractual terms or scope of supply.

**What should I do if a Contracting Authority wants to change the contract post award?**

Members should not accept significant post-award tender changes unless permitted by public procurement law and/or the tender procedure.

## **10. Research Agreements**

- 10.1 *Research services.* When a Member contracts with a Healthcare Professional for research services, there must be a written agreement specifying all services to be provided and a written protocol for a genuine research purpose.



- 10.2 *Research to be legitimate and documented.* The research should be legitimate scientific work. Well-defined milestones and deliverables must be documented in a detailed written agreement. Selection of the Healthcare Professional should be made on the basis of qualifications and expertise to address the identified purpose.

**What is the meaning of legitimate scientific work?**

Work where the Member or wider society benefits from the output. You should be genuinely interested in the output of the research as such (i.e. its scientific content).

**What is the purpose of this rule?**

The rule enhances transparency of payments for funding for research. Clear separation of research funding from purchases underlines the genuine scientific interest, neutrality and ultimately the quality of the research undertaken.

**Must the payment for Research be for a specific project?**

Yes. Grants for unrestricted R&D, which can be used at the HCP's discretion, are not allowed. In such cases, there are no well-defined objectives or deliverables and no expectation on the Member's part of learning or other benefits with regard to product improvement.

- 10.3 *Separation from sales.* The research support should not be contingent upon past, present or future sales of the Member's products or services to the Healthcare Professional. A condition that the research support is contingent upon the Healthcare Professional's purchase of products or services from the Member is only



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permissible if the said products or services are being purchased for specific use within the research or are requested as part of a tender.

**Why does the COCIR Code prohibit research funding that is linked to or contingent on sales of Members' products or services to the HCP?**

Research funding should not be used to influence a HCP's decision making with respect to a purchase of equipment from a Member, whether or not the research funding and sales transactions take place concurrently.

**Are Clinical Trial agreements considered Research Agreements?**

Yes. Clinical Trial agreements are permitted and necessary to release new products that have been put to the test in a real operating environment and thereby enhance product reliability and patient safety. While Clinical Trial agreements are governed by specific regulatory codes and procedures, they are subject to the same inherent risk of improperly influencing an HCP's decision-making with respect to a purchase of products or services from a Member. Therefore, they must respect the COCIR Code of Conduct in addition to specific regulatory codes and procedures.

**How can Members ensure separation from sales?**

Members should take organizational measures to ensure that decisions on research funding are taken by departments and/or individuals different and independent from those taking commercial decisions on sales.

Members' sales personnel may provide input about the suitability of proposed research funding but sales personnel should not control or unduly influence the decision.



10.4 *Management approval.* Research Agreements must be approved by the administration or management of the institution with which the Healthcare Professional is affiliated.

10.5 *Fair market value compensation.* Compensation paid to Healthcare Professionals for research services should not exceed fair market value for the services provided.

## **11. Educational Grants**

11.1 *For defined purposes only.* Members may make an educational grant to support:

- (a) the advancement of genuine medical, clinical or technological education;
- (b) the advancement of public education, that is, the education of patients or the public about important healthcare topics.

11.2 *No grants to individuals.* Educational grants should not be made to individual Healthcare Professionals.

11.3 *Recipient independently controls.* The recipient of the grant should independently control and be responsible for the selection of program content, faculty, educational methods, materials and any scholarship awards. However, the grant may not be used to directly fund endowments of professors, chairpersons of departments or other similar position, nor replace departmental budgets.

11.4 *Separation from Sales.* Requests for educational grants should not be contingent upon past, present or future sales of the Member's products or services to the Healthcare Professional.



- 11.5 *Grants must be documented.* Members should maintain appropriate documentation in respect of all educational grants made, to show that the grant was used for a genuine educational purpose.

**As the chapter is newly introduced there is no Q&A at this stage.**

## **12. Demonstration and Evaluation Equipment**

- 12.1 *Limited duration.* Members may offer equipment for demonstration and evaluation to Healthcare Professionals free of charge and for a reasonable period of time, which shall normally be less than 6 months. Written approval by Healthcare Professionals' administration or management is required and should be filed alongside the appropriate documentation.

**Is loaning equipment as a replacement for defective equipment or delivery problems permitted?**

Yes. This shall be governed by the respective sales or service contract between Member and the HCP but is permitted as a temporary measure.

## **13. Independent Third Parties**





- 13.1 *Use of Independent Third Parties.* Members may use Independent Third Parties for the promotion, importation and sale of their products and services to Healthcare Professionals, such as agents, distributors or consultants.

**Why is the COCIR Code relevant to ITPs?**

Members should not use any third parties for actions which they would not be permitted to take or conclude themselves. Members should train their ITPs on the code and communicate it to them.

- 13.2 *Select with care.* In order to find trustworthy individuals or organizations, Members should only select and award business to Independent Third Parties that are committed to act with integrity and comply with applicable laws and regulations.

- 13.3 *Monitor and control.* Members should therefore (i) conduct due diligence on proposed Independent Third Parties, (ii) impose obligations in contracts with Independent Third Parties to comply with anti-bribery laws and the duties of the COCIR Code and (iii) monitor significant Independent Third Parties as part of a Member's regular review of relationships with them and subject significant Independent Third Parties to appropriate controls.

**What due diligence should Members carry out?**

Not knowing who Members do business with can have serious consequences and may even lead to civil and criminal liability of a Member. For all ITPs, Members should therefore conduct due diligence on proposed ITPs using a risk-based approach, meaning, the due diligence procedure and resources employed should be proportionate to the identified risk. The aim is to ascertain that proposed ITPs are trustworthy and will not use unlawful and unethical methods for performing their services for or on behalf of Members.



#### **14. Compliance with the Code**

*Role of Code of Conduct Committee.* COCIR has established a mechanism for anyone concerned that a Member may have breached this Code to report such concern directly to COCIR. Such concerns will be referred to senior legal or compliance officers within the relevant Member for proper investigation, handling and resolution. COCIR has established a Code of Conduct Committee consisting of one senior legal or compliance officer from each Member. The Members shall disclose to the Committee, on an aggregated basis, how concerns relating to that Member have been addressed and resolved.

#### **Who is responsible for enforcing the COCIR Code?**

#### **What is the role of the Members, COCIR itself and the Code of Conduct Committee?**

COCIR's role is to provide a means for any interested party to ensure that concerns about compliance with this Code are referred directly to independent senior staff members in legal or compliance roles inside Member companies, so that the concerns can be properly addressed.

It is the role of the legal or compliance functions inside Member companies to handle and resolve such concerns in accordance with the Member's own compliance processes and procedures. Such resolution will include investigation and appropriate response, including disciplinary action up to termination of employment where appropriate.

Each Member will be responsible for reporting to the Code of Conduct Committee how it has resolved the cases referred to it.

It is the role of COCIR's Code of Conduct Committee to monitor the overall trends in terms of number and types of concerns raised. The Committee shall ensure it gives feedback to COCIR on the overall adequacy of the Members' collective compliance with the Code. The Committee shall ensure it gives feedback to each Member on the adequacy of its compliance with the Code.