



UP TO 43.5%* CASH REBATE ON OUR CRO SERVICES

**up to 48.5% available for non-base rate entities*

Why you should consider starting your drug development and clinical trial journey in Australia:



Speed of clinical trials



State of the art facilities

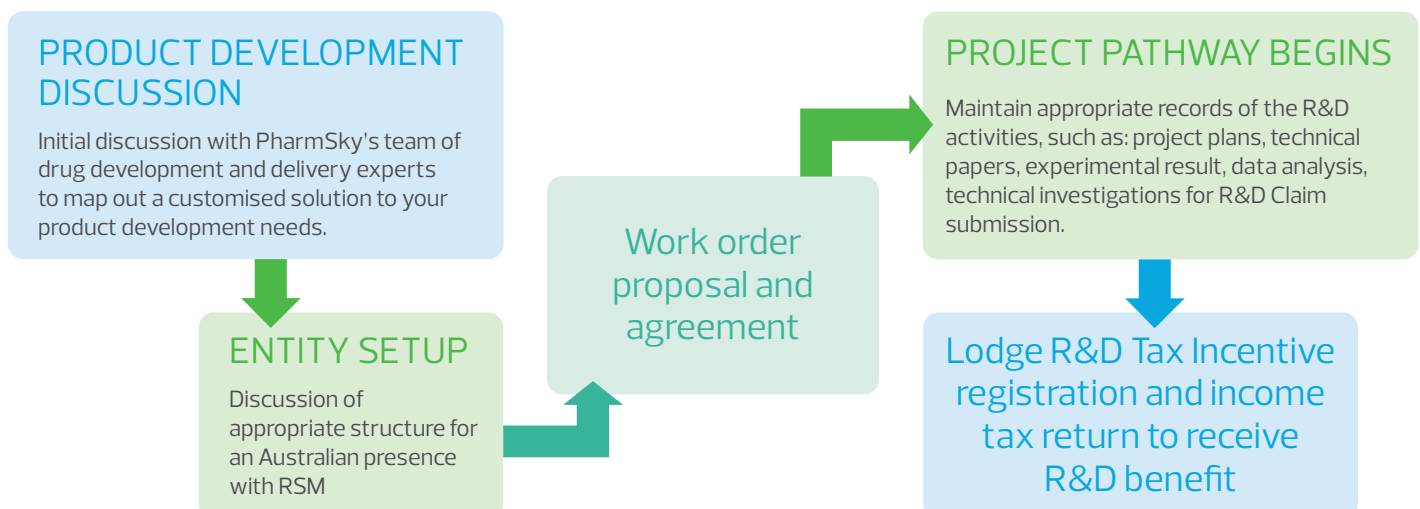


Generous tax rebates

PharmSky Research and RSM have partnered to offer a seamless integration into the Australian drug development and clinical space. If your grouped turnover is less than \$20M and your R&D expenditure is at least \$20,000 in the income year (or if you spend less than \$20,000 on R&D in the income year it must be with a registered research agency like PharmSky), **you can claim the 43.5%* refundable R&D tax credit.**

R&D Expenditure and Rebate Comparison for 'Australian Owned' R&D Claimants

R&D Expenditure	\$100,000	\$100,000
Total Expenditure (including R&D)	\$300,000	\$300,000
Income	\$0	\$400,000
Tax position (no R&D claim)	Tax loss = \$300,000	Taxable income = \$400,000 - \$300,000 = \$100,000 Tax payable = \$100,000 x 25% = \$25,000
R&D Rebate/Offset	\$43,500	\$43,500
Tax deductions (after R&D claim)	(Total deductions - R&D deductions) \$300,000 - \$100,000 = \$200,000	(Total deductions - R&D deductions) \$300,000 - \$100,000 = \$200,000
Tax position (after R&D claim)	Tax loss = \$200,000 Tax refund = \$43,500	(Income - Deductions) = \$400,000 - \$200,000 = \$200,000 Gross tax payable = \$200,000 x 25% = \$50,000 Less R&D Offset = \$50,000 - \$43,500 Tax Payable = \$6,500
Tax saving		Reduction in tax payment = \$25,000 - \$6,500 = \$18,500 (i.e. the net tax benefit is 18.5% of the R&D expenditure)



R&D benefits in Australia

Australia has a generous tax incentive to encourage and support research & development (R&D). The R&D Tax Incentive is a retrospective, self-assessment program which is non-competitive.

To receive the benefit, the claimant must register its activities with AusIndustry and submit its income tax return.

Benefits companies may be entitled to (assuming for illustrative purposes, AUD\$1m is spent on eligible R&D activities in Australia within a financial year) are as follows:

- If the company's aggregated turnover* <AUD\$20m, it will receive up to \$435,000 or \$485,000 for non-base rate entities as a cash rebate if it has sufficient tax losses, otherwise the benefit goes towards reducing any tax payable (ie 'a tax offset'). This entity will therefore forego carrying forward the tax losses if they were used to cash out the refund.
- If the company's aggregated turnover* is AUD\$20m or more, it will receive a tax offset. This tax saving will range between 8.5% to 16.5% of the eligible R&D expenditure depending on the R&D intensity. For those entities that make a tax loss in the financial year, the R&D tax benefit is carried forward and used in a future year when a tax profit is made.

Note: the standard Australian financial year is 1 July to 30 June. Certain entities may have a substituted accounting period that operates on different financial year dates (e.g. 1 January to 31 December), in line with the overseas parent entity.

Eligible R&D activities must:

- Include development of new knowledge (including new or improved products, processes, services, technologies, etc);
- Be conducted in a scientific manner, progressing from hypothesis to experiment, observation and evaluation, leading to a conclusion; and
- Have an outcome which is unknown or determined in advance on the basis of current available knowledge, information or experience.

Eligible R&D entities

If an overseas business is interested in claiming the R&D Tax Incentive in Australia, the overseas business must have one of the following eligible R&D entities in Australia:

- An Australian incorporated company;
- The foreign company is an Australian income tax resident; or
- The foreign company is from a country with a Double Tax Agreement with Australia and carries on a business in Australia through a Permanent Establishment.

** group turnover is the aggregated income received by entities that are connected, or affiliated, with the Australian R&D entity. Broadly, connected entities are those related through control or ownership of at least 40%. Affiliated entities are those which can reasonably be expected to act in accordance with the directions or wishes of the Australian R&D entity. The connection and income tests are global, not restricted to only Australian connections and income.*



All Of PharmSky's Formulation, Analytical And Drug Development Services Listed Below May Be Eligible For The R&D Tax Incentive:

Formulation

- Complex Sterile Injectables
- Particles and Liposomes
- Nano-liquid Emulsions
- Topical Formulation

Scale-up

- Phase I Manufacture
- Process Development and Scaling Up Technology Transfer

DoE & QbD know-how

- Identification of Quality Attributes and Critical Process Parameters
- Study Design for Formulation and Screening Optimisation

End-user/in-use studies

- Infusion Studies
- Clinical End User Studies

Analytical Skillsets



Method Development, Validation & Transfer



Impurity Identification



Structural Elucidation



Extractable & Leachables



Nitrosamine Assessments



GMP Stability Trial Testing



Local Partners:



For more information contact



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