



Pioneers in international business

The Netherlands

Life Sciences Hub in Europe



DUTCH HEALTHCARE: high quality, accessible and affordable

“The Netherlands is the landslide winner of the Health Consumer Powerhouse (HCP) Index 2013. The Netherlands is the only country which has consistently been among the top three in the total ranking of any European Index the HCP published since 2005. They have the best healthcare system in Europe”.

- Strong primary and outpatient care
 - Delivered at a relatively low cost
 - One of the best documented (patient) populations; accessible and well-structured bio-banks
 - Expertise in health care infrastructure
 - Strong medical research infrastructure
 - Global market leader in mobile healthcare
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- Dutch healthcare ranks number one compared to the US, Australia, Germany, and Canada.
 - Total healthcare expenditure in the Netherlands: 12% of GDP, 68 billion Euro's (2013, OECD statistics)
 - Over 1.3 million people work in the healthcare sector (2012, CBS)



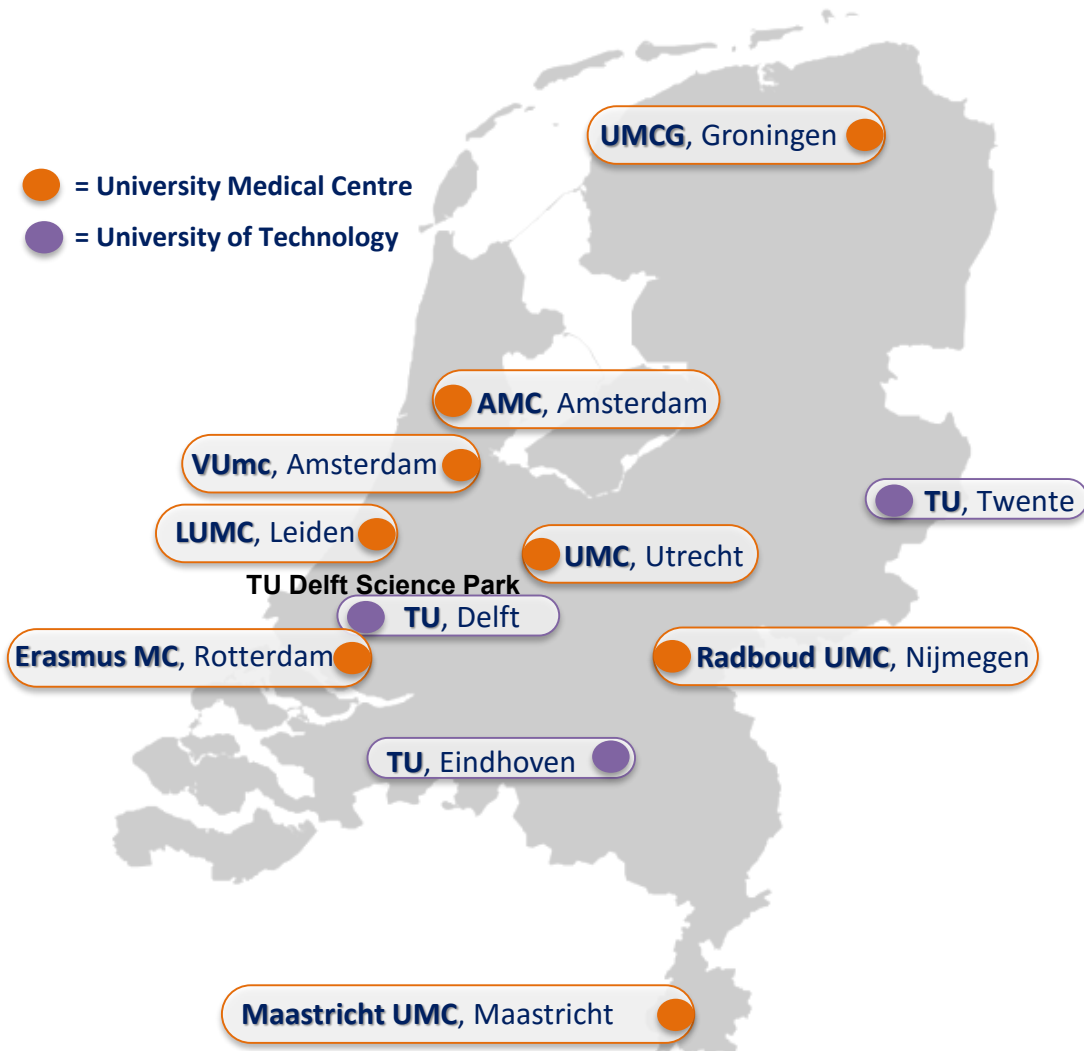
R&D CLIMATE IN THE NETHERLANDS

- 8 University Medical Centers – 14 Research Universities -147 hospitals, including 83 general hospitals (NVZ 2012)
- 8th worldwide ranking in life sciences and health patents (2012).
- High publication output & Citation impact: the Netherlands ranks in the top together with countries such as the US, Switzerland and Denmark.
- The Netherlands obtains US\$72,800 per university researcher from the business world. This is the highest ranking among European countries, 3rd worldwide. *Source: [Times Higher Education](#) (2013)*



INTERNATIONAL OUTLOOK

- **High success rates** in European fund and grant applications; within the EU Commission's R&D Program almost half of the initiatives in the health sector cluster involve Dutch participants.
- **History of investing in international partnerships**; about 70% of Dutch life sciences companies work together with foreign companies and knowledge centers.



Excellent research Infrastructure

- 8 University Medical Centers – 14 Research Universities - 137 general hospitals.
- Close partnership between clinical experts and technical experts.
- Several R&D programs where hospitals, companies, and research institutes work together
- The Netherlands obtains US\$72,800 per university researcher from the business world. This is the highest ranking among European countries, 3rd worldwide (Times Higher Education, 2013).
- 8th worldwide ranking in Life Sciences & Health patents (2012): nr2 ageing research, nr4 cardio-vascular, ...

...and Test Market for Innovative Concepts...

- Easy to start clinical trials with a high degree of patient participation.
- The Netherlands has one of the best documented populations in the world.

SPRINGBOARD TO THE EU MARKET

- Strategic central location in the center of the three largest European economies: Germany, France and the UK – 170 million consumers (half of the EU) within a 300-mile (482.8 km) radius. Approximately 244 million consumers in a 600 miles radius.
- Superior logistics infrastructure: three 'main ports' including Amsterdam Schiphol Airport, Port of Amsterdam and Port of Rotterdam (Europe's largest seaport).
- Abundance of third party logistics specialized in medical logistics.
- Many life sciences companies put their (European) Headquarter, Marketing & Sales office or Distribution Center in the Netherlands.



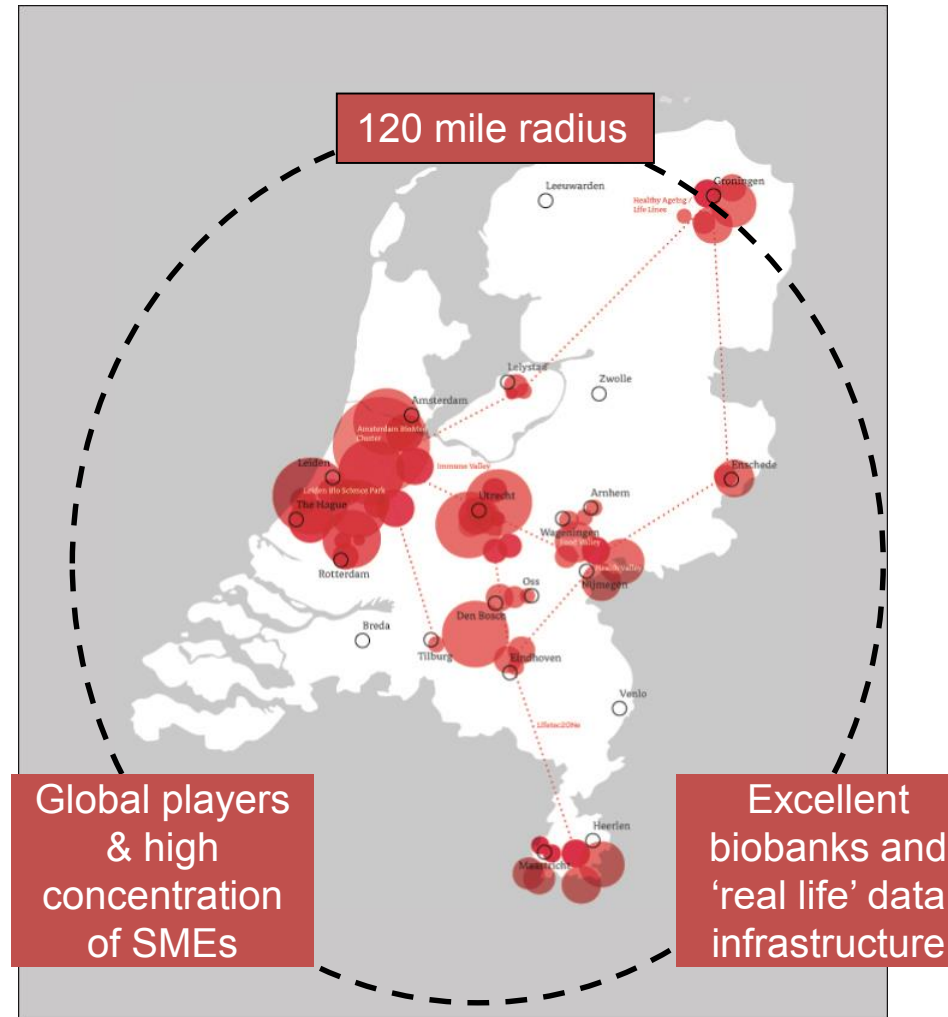
KNOWLEDGE BASE

Integrated life sciences innovation

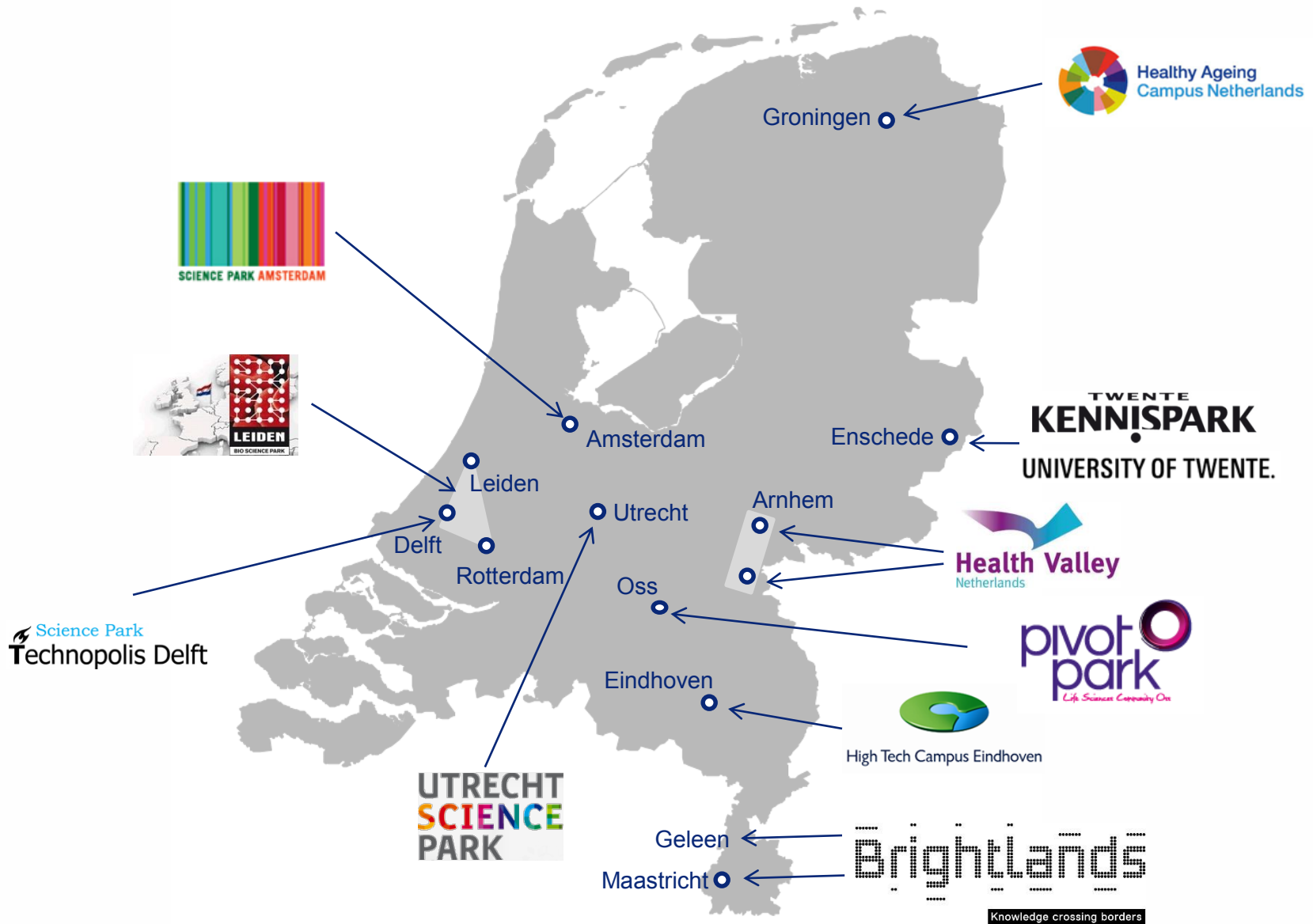
First rate academia, hundreds of SMEs and global players in med-/biotech and pharma within a 120 mile radius.

Focal points

- Amsterdam
- Delft
- Eindhoven
- Enschede
- Groningen
- Leiden
- Maastricht
- Nijmegen
- Oss
- Rotterdam
- Utrecht
- Wageningen



The Dutch Life Sciences Parks



ATTRACTIVE FEATURES OF THE DUTCH TAX REGIME INCLUDE:

▪ R&D specific incentives:

- Innovation box: 5% effective tax rate on result of the income derived from IP
- R&D allowance (WBSO): compensation for R&D labor costs
- RDA: seeks to reduce companies' R&D operating costs and investments in R&D assets
- Innovation loan

..... **AND**

- Relatively low statutory corporate income **tax rate of 25%** (20% for first 200,000 Euro)
- Possibility of obtaining **advance tax rulings (ATR)** and / or **Advance Pricing Agreements (APR)** from the Dutch tax authorities giving certainty on future tax position
- Extensive **worldwide tax treaty network** (over 95 countries) to avoid double taxation and reducing withholding taxes on dividends, interests and royalties (for interest and royalties often to 0%)
- Favorable tax treatment for expats (**30% tax ruling**)
- **VAT deferment upon import**: no upfront payment of VAT and **Custom Bonded warehousing**.

WBSO is a contribution towards the wage costs of employees carrying out R&D. The tax benefit consists of a reduction in wage tax and social security contributions paid for these R&D employees.

RDA is a tax allowance for investments in (R&D). Whereas the wage component is supported by the WBSO, the RDA focuses on the other cost components. You may deduct a percentage of your investments from the corporate income tax.

Innovation Box results in an effective tax rate of only 5% for R&D income from self-developed patented intangible assets and also from self-developed unpatented intangible assets which qualify for the so-called WBSO.

Energy Investment Allowance (EIA) is for companies that invest in energy-saving installations, or that make use of sustainable energy. They can deduct 41.5 % of the invested sum from their taxable profits from the year in which the goods are purchased.

MIA/Vamil: The MIA scheme allows you to deduct up to 36% of the cost of an environmentally friendly investment from your fiscal profit over the calendar year in which the equipment was purchased. The Vamil scheme lets you decide for yourself when to write off your investment costs.

Subsidy scheme sustainable energy production (SDE+). You can apply for a subsidy for the production of sustainable electricity, sustainable heat or combined generation of sustainable heat and electricity or green gas.

Fast-track permits for highly skilled migrants from outside of the EU. Employers wishing to employ highly skilled migrants are no longer required to also apply for work permits. They will only have to submit an application for an MVV and/or a residence permit for the employee and his or her family.

30% ruling for expats: The Netherlands has a special tax regime for expatriates, the so-called 30% ruling, which provides a substantial income tax exemption of up to 30%, for a period of up to 96 months. This is viewed as a reimbursement for the extra costs involved in living abroad.

The Business loan guarantee scheme makes it easier for large and medium-sized companies in the Netherlands to borrow substantial amounts of money. Capital providers receive a 50% guarantee from the government.

The Growth Facility Scheme makes it easier for SMEs to raise capital. Under the scheme, financiers who provide venture capital to SMEs receive a guarantee: if the bank or venture capital company incurs a loss on the investment, 50% can be reclaimed from the Ministry of Economic Affairs

Work-related costs scheme. You, as an employer, may use 1.4% of the total taxable pay (discretionary margin) for tax-free expense allowances and benefits for your personnel.

Employee education and training tax rebate. The overall aim is to increase job opportunities and work participation by offering financial benefits to employers. In the Netherlands, employers withhold taxes on wages for all their employees. The schemes reductions allow the employer to transfer less money to the government.

The Power To Innovate | Innovation Credit Characteristics

Purpose | Innovation Credit is intended for the development phase of a technically new product, process or service; projects where substantial technical risks are involved. Development of medical products that require a clinical study can also be supported

Risk bearing loan from the government for the technical or clinical development of a new product, process or service.

Funding 35 % of the (allowable) project costs with a maximum of € 5 million. The remaining 65 percent must be financed with other resources. You can only apply for Innovation Credit if your own resources are insufficient to finance the project.

Pay back after successful conclusion of project; waiver possible if the project fails due to technical reasons or disappearing commercial perspective during the project.

Indebted low interest will be added to the capital sum and thus be paid afterwards.

For who | Starting and established SMEs for innovative new R&D and commercialization projects. Applicants activities must be based in The Netherlands.

- Without remaining feasibility issues, with remaining technical risks/challenges.
- With a systematic development approach (largest risk first, stage gate), and detailed formal project plan.
- Minimum project size € 150.000.
- Maximum credit € 5 million.
- Maximum duration 4 years.

BUILD, BUNDLE, BENEFIT: Strengths in Life Sciences & Health

- [Netherlands Genomics Initiative](#) (NGI): consortia of universities, research institutes, industry and societal organizations. Health centers include [Cancer Genomics Centre](#), [Celiac Disease Consortium](#), [Center for Medical Systems Biology](#), [Netherlands Consortium for Healthy Ageing](#) , [VIRGO Consortium](#)
- [Top Institute Pharma](#) (TI Pharma): partnership of more than 50 life sciences companies, universities, and research institutes. Focus on drug development: new targets, new biomarkers, new methods, safety and new drug classes, efficiency analyses of the drug development process.
- [Center for Translational Molecular Medicine](#) (CTMM): focus on In-vivo and in-vitro diagnostics as enabling technologies for detection and treatment of disease, and translational R&D including clinical validation.
- [BioMedical Materials program](#) (BMM): focus on R&D on biomedical materials as key technology in developing new medical devices, new and improved materials for implants, functional coatings for medical devices, active scaffolds, including growth cell promoters.

BUILD, BUNDLE, BENEFIT: Strengths in Life Sciences & Health

- [Innovative Medicines Initiative](#); public-private partnership with a focus on Personalized Medicine and the aim to bring new treatments to the patients.
 - Collaboration example: **European Lead Factory**

The European Lead Factory is a pan-European platform for drug discovery supported by the Innovative Medicines Initiative (IMI) that is set to give a major boost to drug discovery in Europe. Comprising a collection of half a million compounds (derived from new, public and existing private company collections) and a screening centre, the European Lead Factory will offer researchers in academia, small and medium-sized enterprises (SMEs) and patient organisations an unprecedented opportunity to advance medical research and develop new medicines.

Technology for a sustainable healthcare – a national initiative (2011-2020) with 8 leading public-private partnerships Centers of Research Excellence

Home and Rehabilitation Care

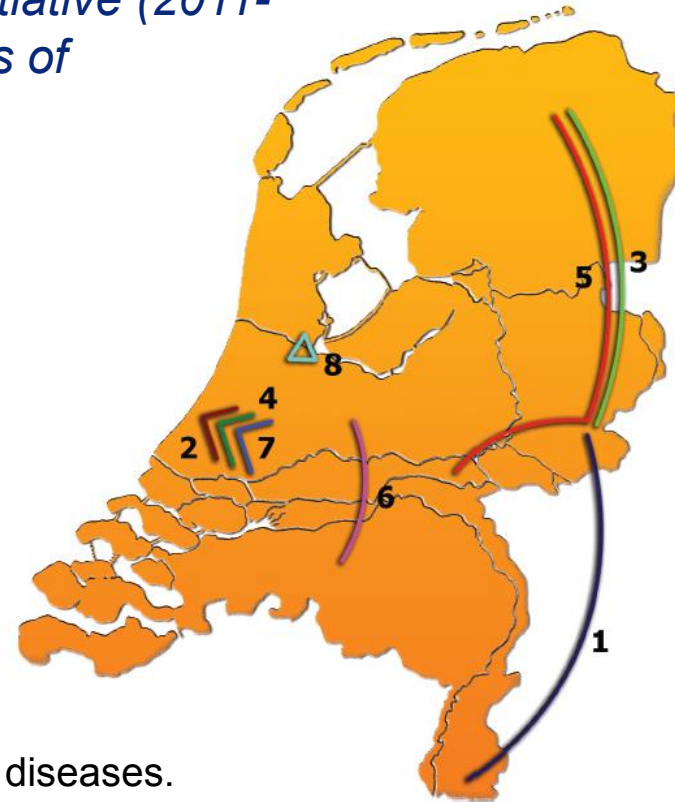
1. CCTR: Instrumentation for home and community care.
2. NeuroControl: Instrumentation for neurological disorders.
3. SPRINT: Instrumentation for rehabilitation care.

Minimally Invasive Techniques

4. NIMIT: Instrumentation for minimally invasive surgery.

Biomedical Imaging

5. CMI-NEN: Instrumentation for medical imaging in cancer.
6. IDII: Instrumentation for MRI.
7. MDII: Instrumentation for medical imaging in heart and vascular diseases.
8. QuantiVision: Instrumentation for quantitative medical image analysis.



MDII



IDII



Institute
Quantivision



CMI NEN



CCTR



SPRINT



Neuro
Control



NIMIT

Europe has a social insurance system for health care

Mandatory

European laws

Each citizen is entitled for health care.

The definition of health care differs per country.

Doctors are key to decide what “healthcare” is.



Pioneers in international business

Reimbursement

Regulatory is European law
(EMEA and CE)

Reimbursement is local law and habits.

Market access means:

no reimbursement, no market.