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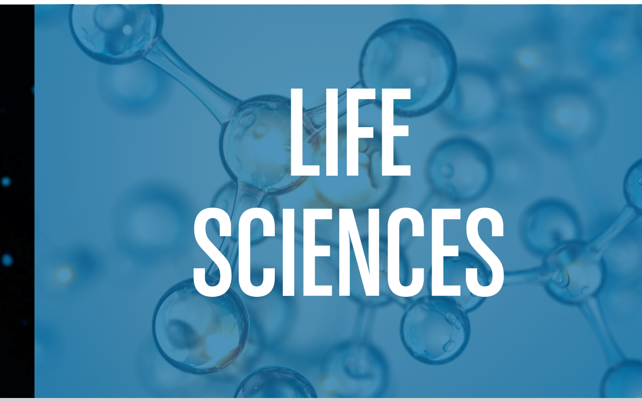


Jones Day Tax Practice: Life Sciences

The Trends

The international tax landscape is undergoing unprecedented changes, driven by initiatives such as the OECD's Base Erosion and Profit Shifting (BEPS) project, global minimum, taxation, continuous tax reform, and evolving transfer pricing rules. For life sciences companies, including fast-growing biotech companies, these changes present both challenges and opportunities. Given the need for significant R&D, complex supply chains, and valuable IP management, strategic tax planning is essential.

- **Adapt to Global Tax Changes:** Tax regimes around the world are in flux as countries reassess underlying tax principles. Life sciences companies at all stages of development must navigate complexities to avoid double taxation and ensure compliance with diverse regimes. Effective tax planning helps companies adapt and optimize tax positions.

- **Maximize R&D Incentives:** Many jurisdictions offer tax incentives to encourage innovation, recognizing the substantial investments required for R&D in the life sciences sector. These incentives can include R&D tax credits, super deductions, and grants or subsidies. Strategic tax planning enables companies to fully leverage these incentives and reduce their overall tax burden. This not only enhances cash flow but also supports continued investment in groundbreaking medical advancements.

- **Manage Intellectual Property:** IP represents a substantial portion of a life sciences company's value, and its strategic location can significantly affect a company's tax liabilities. By locating IP in jurisdictions with favorable tax regimes (such as IP box regimes as part of the OECD's so-called Modified Nexus Approach for IP Regimes), companies can benefit from reduced tax rates on IP income and improve their global tax exposure.

- **Optimize Financing and Equity Incentives:** Innovation in the life sciences sector involves a long investment horizon. Having the appropriate financing and tax structure is crucial to grow and reach operational targets. Properly structured equity incentives can be instrumental in increasing employee commitment without immediate tax costs.

How We Can Help

Navigating the complexities of the international tax landscape requires specialized expertise and a proactive approach. We offer comprehensive tax planning services tailored to the needs of life sciences companies at all development stages, from pre-clinical to commercial. We understand the intricacies of the industry and the regulatory environment, working closely with IP, regulatory, corporate, and other practice areas to provide effective and appropriate solutions.

- **Strategic Tax Planning:** Our team works closely with clients to develop and implement tax strategies that align with their business objectives. We analyze the company's global operations, identify tax-saving opportunities, and provide actionable recommendations.

- **R&D Tax Credits and Incentives:** We assist clients in identifying and claiming R&D tax credits and other incentives available throughout the world. We stay abreast of changes in tax laws and regulations to ensure that clients maximize their benefits.

- **IP Structuring and Management:** We help clients develop tax-efficient structures for the ownership and management of IP. This includes advising on location, transfer pricing policies, and the use of IP holding companies. Our goal is to achieve efficient tax results while ensuring compliance with international tax regulations.

- **Actionable Recommendations:** We draft technical memos and opinions on complex tax issues to assist in financial audits and for penalty protection.

- **Tax Controversy:** Our team of subject matter experts, appeals counsel, and tax litigators are available to assist clients at all stages of controversy with taxing authorities around the world, from initial audits through litigation in courts.

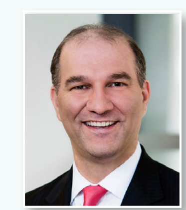
Who Will Be Impacted?

Life sciences companies, from early start-ups to large multinational companies, must overcome these tax challenges and opportunities when initially setting up efficient tax structures, integrating acquisitions, or optimizing existing structures. Founders and investing funds likewise need to be aware.

Key Contacts

For further information regarding our Tax Practice, please contact your principal Firm representative or one of the lawyers listed below.

United States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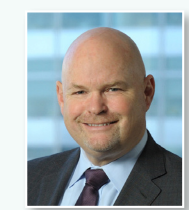
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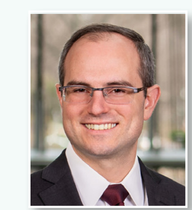
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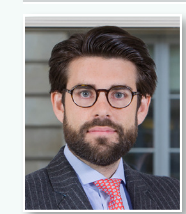
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"Tax planning for life science companies has the attention and focus of the C-Suite."