

FAQ'S

Question 4

What is 'Fair market value' for local HCP activities as we have detected inconsistent payments across industry for e.g. advisory board activity, consulting and delivery of speeches?

Nicole Edelstein replies

It would not be permissible for the MCA to publish what it considers/calculates to be 'fair market value' as this would be deemed anti-competitive in terms of SA legislation. Also, there are different valuation methods that may be used. In all instances, companies should use objective, verifiable criteria, for example, the level of expertise of the HCP, the type and length of service to be rendered, the preparation time required etc. The method or methods used should be documented. In all cases, a written contract or agreement must be put in place before commencement of the services which clearly specifies the nature and basis for payment of those services.