

(English Translation)
Memorandum of Understanding
on Cooperation for Promotion and Development of
a National Medical Representatives Occupation Management System

by and among

China Pharmaceutical Industry Association
China Association of Traditional Chinese Medicine
China Pharmaceutical Enterprises Development Promotion Association
China Association of Enterprises with Foreign Investment R&D Based
Pharmaceutical Association Committee

Beijing
28 June 2016

This Memorandum of Understanding is (hereinafter "MOU") signed by the Parties below in Beijing on 28 June 2016:

- 1) **China Pharmaceutical Industry Association**
- 2) **China Association of Traditional Chinese Medicine**
- 3) **China Pharmaceutical Enterprises Development Promotion Association, and**
- 4) **China Association of Enterprises with Foreign Investment R&D Based Pharmaceutical Association Committee**

1. Background

- 1) Medical Representative (MR) has been listed into the 2015 edition of "Chinese Occupation Encyclopedia" (the "Encyclopedia") and officially published. MR's official definition is "Professionals engaging, on behalf of pharmaceutical enterprises, in delivering, communicating and giving feedbacks on information of medicine".
- 2) The achievement was an outcome of an aligned work of the whole pharmaceutical industry especially with the support from CPIA, CATCA and RDPAC.
- 3) MR is a bridge transferring professional information between pharmaceutical manufacture enterprises and healthcare professionals (HCPs) in two-way directions and, therefore, they are closely related to the realization of high-quality medical effect and the benefit of patients. Therefore, MRs' professional and academic role is very important. Internationally, MRs have more than 50 years of history and are widely recognized and accepted. In China, with the progress of reforming and opening from the 1980's, MRs began to emerge. But, with the development of national economy, more products came into the market and the competition intensified. It is undeniable that some negative phenomenon exist with MRs; the name is used in a confusing way, causing negative reputation, with an impression associated with bribery. Now, the promulgation of the "Encyclopedia" has cleared the definition and restored the original value and position of MR. However, to really recover MRs' original value and positioning, there are still a lot of works to be done, including the aspects described below:
 - a. To engage in governments and related departments to guide and support the vocational management of MRs, and to formulate relevant laws or regulations based on the original work scope of MRs and build up the vocational management and accreditation system.
 - b. Let industry associations lead enterprises to carry on the training, regulation and evaluation to improve the basic medical

knowledge and ethical business criterion.

- c. To communicate with medical and hygienic associations and entities and to closely coordinate and supervise the working practice and behavior of MRs during their interactions with HCPs.

This is also an important measure taken at executive level under the movement of promoting EBP through out the whole pharmaceutical industry associations from recent years

2. Long term objectives

- 1) To communicate, on behalf of all the pharmaceutical manufacture enterprises, with relevant government offices to push the development of national MR vocational management system;
- 2) To formulate a self-discipline protocol to regulate the business practice of MRs combined with the promotion of ethical business practice within pharmaceutical enterprises;
- 3) To coordinate with the medical and hygienic associations, organizations or entities closely in connection with the roles MRs need to play and to ensure healthy and effective cooperation between the two sides.
- 4) To strengthen the promotion of the value of MRs and their occupation management and to reach a consensus of whole society on ethical business practice.

3. Principle

This alignment should comply with relevant laws and regulations and maintain common interests of the whole industry to promote healthy development of the industry for the purpose of benefitting the patients. All parties will work together to promote MRs' professional management based on an equal, open and transparent manner.

4. Operation model

All parties should send staffs to jointly set up a working group, preliminarily confirm the duties related and formulate work objectives and action plan in accordance with the provisions in this MOU. The working group will hold meetings regularly to exchange work progress and discuss further work plans.

5. Short term tasks

- 1) To strengthen the communication with MoHRSS, CFDA, NHFPC and SATCM and follow up the national policies on the

evaluation and accreditation of the technical personnel qualification.

- 2) To draft a proposal to carry on the MR occupation qualification evaluation and training, submit to the MoHRSS and apply to take a pilot as soon as possible;
- 3) Entrust third party with qualified training capability to carry on the training of MR occupation qualification.
- 4) To organize experts of industry to do the preparatory work. Try to enlarge the training within member companies of all parties, gradually expand and ultimately develop the MR occupation accreditation system through out the national scope;
- 5) To communicate and collaborate with Chinese Medical Doctor Association, China Hospital Association and other medical industry organizations to promote the work of MR management;
- 6) To hold different formations of meetings to combine the work of EBP promotion with MR occupation management, promote the two tasks with each other;
- 7) To organize different platforms to let MRs to exchange experience and improve the business quality of MRs.

All Parties hereto agree that this MOU only expresses the intent of cooperation among the Parties and does not constitute an agreement with binding effect.

Signed by:

By: _____

For and on behalf of

China Pharmaceutical Industry Association

By: _____

For and on behalf of

China Association of Traditional Chinese Medicine

By: _____

For and on behalf of

China Pharmaceutical Enterprises Development Promotion Association

By: _____

For and on behalf of

**China Association of Enterprises with Foreign Investment R&D Based
Pharmaceutical Association Committee**