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**THE PATENTED MEDICINE
PRICES REVIEW BOARD**

2025-26

**Quarterly Financial Report for the Quarter Ended
December 31, 2025**

PATENTED MEDICINE PRICES REVIEW BOARD

Quarterly Financial Report

For the Quarter Ended December 31, 2025 (unaudited)

Management Statement for the Quarter Ended December 31, 2025

1. Introduction

This quarterly report has been prepared by management as required by section 65.1 of the *Financial Administration Act* and in the manner prescribed by the Treasury Board. This quarterly report should be read in conjunction with the [Main Estimates](#) and [Supplementary Estimates](#).

1.1 Authority, Mandate and Program Activities

The Patented Medicine Prices Review Board (PMPRB) is an independent, quasi-judicial body created by Parliament as a result of amendments to the *Patent Act* (Act) in 1987 (Bill C-22) and its remedial powers were supplemented by further amendments in 1993 (Bill C-91). The amendments were intended to balance stronger patent protection for pharmaceutical patentees with the need to protect consumers from excessively priced patented medicines.

PMPRB's mandate is to monitor the price at which rights holders sell their patented medicines in Canada to ensure that this price is not excessive. The PMPRB is also responsible for reporting annually to Parliament through the Minister of Health on its activities for the previous year, pricing trends of all patented medicines, and research and development expenditures reported to the PMPRB by pharmaceutical rights holders.

The PMPRB is composed of "Staff", who are public servants responsible for carrying out the organization's day to day work, and Board Members, Governor-in-Council appointees who serve as hearing panel members in the event of a dispute between Staff and a patentee over the price of a patented medicine.

If the price of a patented medicine appears to be excessive, the Chairperson¹ may decide that the matter should be subject to a hearing. The Chairperson decides the composition of a panel. Provincial and territorial ministers of health have a statutory right to appear before the panel as parties, and other interested parties or groups may seek leave to participate as interveners.

At the hearing, a panel composed of Board Members acts as a neutral arbiter between Staff and the patentee. If a panel finds that the price of a patented medicine is excessive, it can order a reduction of the price to a non-excessive level. It can also order a patentee to make a monetary payment to the Government of Canada in the amount of the excess

¹ In accordance with subsection 93(3) of the *Patent Act*, if the Chairperson is absent or incapacitated or if the office of the Chairperson is vacant, the Vice-Chairperson has all the powers and functions of the Chairperson during the absence, incapacity or vacancy.

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revenues earned and, in cases where the panel determines there has been a policy of excessive pricing, it can double the amount of the monetary payment.

Further details on the PMPRB's authority, mandate and program activities may be found in the [Departmental Plan](#) and the [Main Estimates](#).

1.2 Basis of Presentation

This quarterly report has been prepared by management using an expenditure basis of accounting. The accompanying Statement of Authorities includes the PMPRB's spending authorities granted by Parliament and those used by the organization, consistent with the *Main Estimates* and *Supplementary Estimates* for the 2025-26 fiscal year. This quarterly report has been prepared using a special purpose financial reporting framework designed to meet financial information needs with respect to the use of spending authorities.

The authority of Parliament is required before moneys can be spent by the Government. Approvals are given in the form of annually approved limits through appropriation acts or through legislation in the form of statutory spending authority for specific purposes.

When Parliament is dissolved for the purposes of a general election, section 30 of the *Financial Administration Act* authorizes the Governor General, under certain conditions, to issue a special warrant authorizing the Government to withdraw funds from the Consolidated Revenue Fund (CRF). A special warrant is deemed to be an appropriation for the fiscal year in which it is issued.

As part of the departmental performance reporting process, the PMPRB prepares its annual departmental financial statements on a full accrual basis in accordance with Treasury Board accounting policies, which are based on Canadian Generally Accepted Accounting Principles for the public sector. However, the spending authorities voted by Parliament remain on an expenditure basis.

The quarterly report has not been subject to an external audit or review.

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2. Highlights of Fiscal Quarter and Fiscal Year to Date (YTD) Results

This quarterly financial report reflects the results of the current fiscal period in relation to the Main Estimates and allocations from Treasury Board (TB) Central Votes including the Operating budget carry-forward. The PMPRB's YTD spending increased by \$0.03 million (0.3%), from \$9.48 million in 2024-25 to \$9.51 million in 2025-26.

The money reported in the PMPRB's Annual Financial Statements as non-respendable revenue is a result of payments to the Government of Canada made by patentees through Voluntary Compliance Undertakings (VCUs)² or Board Orders to offset excess revenues. The Minister of Health may enter into agreements with any province respecting the distribution to that province of amounts received by the Receiver General, less any costs incurred in relation to the collection and distribution of those amounts. The PMPRB did not receive repayments of excess revenues in 2025-26 or 2024-25.

Revenues that are non-respendable are not available to discharge the PMPRB's liabilities. While the Chairperson is expected to maintain accounting control, they have no authority regarding the disposition of non-respendable revenues. As a result, non-respendable revenues are considered to be earned on behalf of the Government of Canada and are not therefore presented as a reduction to the entity's total gross budgetary expenditures.

2.1 Significant Changes to Authority

As shown in the Statement of Authorities of this document, total authorities available for 2025-26 have increased by \$0.33 million (1.8%) over 2024-25, from \$18.54 million to \$18.88 million.

The increase is attributable to funding for compensation adjustments resulting from collective agreements.

2.2 Significant Changes to Budgetary Expenditures by Standard Object

This section elaborates on variances in expenditures, statutory items and Vote 1 by standard object to explain changes in spending trends from the same quarter of the previous year.

Overall, Q3 spending decreased by \$0.80 million (19.9%) and YTD spending for the year increased by \$0.03 million (0.3%) in 2025-26.

² VCUs are approved by the Chairperson or, if the VCU is submitted after the issuance of a Notice of Hearing, the Board Hearing Panel.

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For “Information”, Q3 spending and YTD spending for the year decreased by \$0.59 million and \$0.04 million respectively due to timing differences of purchases of patented medicine related information upon which our reports are partly based.

For “Professional and special services”, Q3 spending and YTD spending for the year decreased by \$0.06 million and \$0.16 million respectively mostly due to a decrease in translation services, legal services, language training and health related consultants.

For “Rentals” Q3 spending and YTD spending for the year decreased by \$0.10 million and \$0.14 million respectively mostly due to the purchase of IT server license and subscription in 2024-25.

For “Acquisition of machinery and equipment” Q3 spending and YTD spending for the year decreased by \$0.06 million and \$0.09 million respectively mostly due to the purchase of IT server equipment in 2024-25.

There were no significant variances to report in the other standard objects.

3. Risks and Uncertainties

The PMPRB’s funding includes a Special Purpose Allotment (SPA) to conduct Public Hearings, in Vote 1 (Program expenditures) of \$4.5 million. The SPA can only be used to cover the costs of public hearings, such as external legal counsel and expert witnesses, etc. Any unspent amount is returned to the Consolidated Revenue Fund (CRF). The PMPRB’s expenditures are influenced by the number and complexity of investigations into the prices of patented medicines, the number of investigations that result in hearings and the number of hearing decisions that form the basis of judicial review applications, all of which are inherently unpredictable.

The PMPRB’s most significant expenditure is “Personnel”, representing 61% of its annual planned expenditures (80% excluding the SPA). Given the highly specialized nature of its consumer protection mandate, the PMPRB must continue to attract and retain subject matter experts. Given the organization’s small size, the departure or hiring of a handful of employees in one quarter can have a significant impact on the quarter’s expenditures.

The PMPRB has limited capacity to hold hearings, and issues Guidelines as a mechanism to narrow down the number of medicine prices that are subject to a hearing. To mitigate the effects of this transition, the PMPRB is preparing internally with a collaborative review of internal processes. This review is aimed at efficient, effective, and well-documented procedures for all aspects of the price monitoring process, from data collection to potential hearings.

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4. Significant changes in relation to operations, personnel and programs

Changes to Key Senior Personnel

There have been no significant changes in relation to operations, personnel and programs.

Changes to Programs

There have been no significant changes in relation to programs.

Approval by Senior Officials

Approved by:

Anie Perrault, LL.L, ASC
Chairperson

Manon Souligny, CPA
Chief Financial Officer

Ottawa, Canada
February 18, 2026

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STATEMENT OF AUTHORITIES (unaudited)

<i>(in thousands of dollars)</i>	Fiscal Year 2025-2026			Fiscal Year 2024-2025		
	Total available for use for year ending March 31, 2026 ¹	Used during the quarter ended December 31, 2025	Year to date used at quarter-end	Total available for use for year ending March 31, 2025 ¹	Used during the quarter ended December 31, 2024	Year to date used at quarter-end
Vote 1 – Program expenditures	17,379	2,854	8,388	17,221	3,702	8,492
(S) Contributions to employee benefit plans	1,499	375	1,124	1,323	331	992
(S) Spending of proceeds from the disposal of surplus Crown assets	0	0	0	0	0	0
Total authorities	18,878	3,229	9,512	18,544	4,033	9,484

¹ Includes only Authorities available for use and granted by Parliament at quarter-end
(S) Statutory vote

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TABLE 1: Departmental budgetary expenditures by Standard Object

	Fiscal Year 2025-2026			Fiscal Year 2024-2025		
	Planned expenditures for the year ending March 31, 2026 ¹	Expended during the quarter ended December 31, 2025	Year to date used at quarter-end	Planned expenditures for the year ending March 31, 2025 ¹	Expended during the quarter ended December 31, 2024	Year to date used at quarter-end
<i>(in thousands of dollars)</i>						
Expenditures:						
Personnel	11,514	2,908	8,111	11,290	3,020	7,816
Transportation and communications	248	26	180	262	23	53
Information	1,293	92	703	1,372	579	740
Professional and special services	5,291	92	326	5,055	152	482
Rentals	125	38	98	133	145	236
Repair and maintenance	63	0	1	67	0	1
Utilities, materials and supplies	10	1	3	11	4	5
Acquisition of lands, buildings and works	0	0	0	0	0	0
Acquisition of machinery and equipment	287	51	51	305	108	143
Transfer payments	0	0	0	0	0	0
Other subsidies and payments	47	21	39	49	2	8
Total net budgetary expenditures	18,878	3,229	9,512	18,544	4,033	9,484

¹ Includes only Authorities available for use and granted by Parliament at quarter-end