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**THE PATENTED MEDICINE
PRICES REVIEW BOARD**

2026-27

**Quarterly Financial Report for the Quarter Ended June
30, 2026**

PATENTED MEDICINE PRICES REVIEW BOARD

Quarterly Financial Report

For the Quarter Ended June 30, 2026 (unaudited)

Management Statement for the Quarter Ended June 30, 2026

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.

When PMPRB staff identify potential pricing concerns, 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 2026-27 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 \$0.15 million (5.6%), from \$2.7 million in 2025-26 to \$2.85 million in 2026-27.

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 2026-27 have decreased by \$0.92 million (5.1%) over 2025-26, from \$18.13 million to \$17.21 million.

The decrease is attributable to a \$1.25 million funding reduction as part of the comprehensive expenditure review, as announced in Budget 2025, offset by 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, Q1 spending increased by \$0.15 million (5.6%) in 2026-27.

For "Personnel" Q1 spending increased by \$0.30 million due to the PMPRB being fully staffed compared to 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”, Q1 spending decreased by \$0.23 million a due to timing differences of purchases of patented medicine related information upon which our reports are partly based.

For “Acquisition of machinery and equipment” Q1 spending increased by \$0.10 million mostly due to the purchase of IT equipment.

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 \$3.2 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 67% of its annual planned expenditures (83% 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. The PMPRB has already undertaken significant modernization of its regulatory framework over the past few years.

The new Guidelines shift toward a more efficient, targeted, and risk-based approach. They reduce unnecessary administrative burden while maintaining the ability to intervene where there are credible concerns regarding excessive pricing.

It allows the PMPRB to focus its resources on medicines that may require closer examination, while allowing the vast majority of medicines to move through the process quickly and predictably.

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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:

Original signed by

Anie Perrault, LL.L, ASC
Chairperson

Ottawa, Canada
August 21, 2026

Original signed by

Manon Souigny, CPA
Chief Financial Officer

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STATEMENT OF AUTHORITIES (unaudited)

<i>(in thousands of dollars)</i>	Fiscal Year 2026-2027			Fiscal Year 2025-2026		
	Total available for use for year ending March 31, 2027 ¹	Used during the quarter ended June 30, 2026	Year to date used at quarter-end	Total available for use for year ending March 31, 2026 ¹	Used during the quarter ended June 30, 2025	Year to date used at quarter-end
Vote 1 – Program expenditures	15,574	2,440	2,440	16,630	2,325	2,325
(S) Contributions to employee benefit plans	1,638	410	410	1,499	375	375
(S) Spending of proceeds from the disposal of surplus Crown assets	0	0	0	0	0	0
Total authorities	17,212	2,850	2,850	18,129	2,700	2,700

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 2026-2027			Fiscal Year 2025-2026		
	Planned expenditures for the year ending March 31, 2027 ¹	Expended during the quarter ended June 30, 2026	Year to date used at quarter-end	Planned expenditures for the year ending March 31, 2026 ¹	Expended during the quarter ended June 30, 2025	Year to date used at quarter-end
<i>(in thousands of dollars)</i>						
Expenditures:						
Personnel	11,623	2,515	2,515	11,293	2,215	2,215
Transportation and communications	247	46	46	247	50	50
Information	1,293	63	63	1,293	289	289
Professional and special services	3,517	81	81	4,764	99	99
Rentals	125	38	38	125	38	38
Repair and maintenance	63	0	0	63	0	0
Utilities, materials and supplies	10	0	0	10	0	0
Acquisition of lands, buildings and works	0	0	0	0	0	0
Acquisition of machinery and equipment	287	106	106	287	0	0
Transfer payments	0	0	0	0	0	0
Other subsidies and payments	47	1	1	47	9	9
Total net budgetary expenditures	17,212	2,850	2,850	18,129	2,700	2,700

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