Utilization of Customs Warehouses in the Clinical Trial Supply Chain

MARKEN

GLOBAL LIFE SCIENCE SUPPLY CHAIN SOLUTIONS

The global clinical trial supply chain industry has been seeking new opportunities to improve efficiency for many years. As pressures to decrease cost and reduce time to market continue to rise, the design of the clinical trial supply chain must evolve and change to meet those demands. A European Union (EU) based customs-bonded warehouse may provide solutions for reducing costs while optimizing distribution throughout the clinical trial supply chain.

Each time a batch of investigational medicinal products (IMPs) is brought into the EU, compliance with EU good manufacturing practices (GMP) must be certified by the qualified person (QP) of the import authorization holder. The QP must review all manufacturing documents to verify that the manufacturer and IMP comply with EU GMP requirements before IMPs can be imported and distributed.

The QP review process is time consuming and requires requests for original batch paperwork and additional information for full review. In many cases audits of the manufacturing facility must be conducted, which can result in significant additional costs. This QP certification and release to the trial is required for all pharmaceuticals even when intended for export to non-EU countries.[1]

QP release requirements can have a significant impact on the clinical trial supply chain. For example, while logistics hubs in the EU, particularly that in Frankfurt, Germany, provide excellent and fast connections to Eastern European, Middle Eastern and North African countries; sponsors must factor in delays due to the QP release process which must be performed before distribution of IMPs to these countries can begin from an EU central depot location.

Typically countries do not receive clinical trial application approval at the same time. Non-EU countries that benefit from short clinical trial application approval timelines cannot be supplied from an EU logistics hub before the EU QP procedures are finalized, even when the supplies are not intended for use in the EU. This delay in supplying non-EU countries can be overcome with the establishment of a customs warehouse in a clinical depot according to the EU Customs Code.[2]

EU drug laws provide some exemptions from the requirement to perform the EU importation process and QP release when using a customs warehouse. In Germany, for example, pharmaceutical products may be exempt from the QP release requirements of the German drug law[3] when they are imported under customs warehouse procedures.[4] A customs warehouse within a depot dedicated to clinical trial supplies will allow storage of IMPs for all participating countries and subsequent shipments to these countries without going through the difficult EU importation and QP release process.

In a customs warehouse products imported under customs warehouse procedures and products cleared for distribution within the Community can be stored together as long as there is an inventory management system that allows the identification and the status of each product. In addition to storage,

activities such as repackaging and re-labeling, which are often required, can also be performed in a customs warehouse. The Customs Code considers these activities as usual forms of handling.[5] Additionally, value added tax or duties assigned during the importation process do not have to be paid for goods in a customs warehouse with a final destination outside the EU.

There are many situations where a customs warehouse could be useful for the clinical supply chain, some examples are described below:

- IMPs packed and labeled in batches intended for non-EU countries: These IMPs could be shipped to an EU customs warehouse and exported to non-EU countries without any involvement of the QPs, as they will never become community goods with all the applicable regulatory and financial consequences.

- IMPs packed and labeled for all participating EU and non-EU countries: IMPs can be shipped to the EU customs warehouse and distributed to the non-EU countries when the clinical trial is approved. In parallel the EU QP procedure can be performed on the goods that will stay in the EU and once finalized, the status of the IMPs can be changed from non community to community goods. This approach will reduce the storage location to one central hub and allows timely supply of countries with study approval and reduces required IMP overage.

- Final IMP packaging will be determined based on the order for the IMP from a certain country and site and subsequent labeling with country and/or site specific label or re-test date labeling will be performed on demand: Batches of IMPs could be shipped to an EU customs warehouse and status to community goods will only be performed when required. QP activities for additional labeling will be reduced to the products which need the EU QP release process and timely supply of non-EU countries with short clinical trial approval timelines can be secured.

Marken recognizes the many advantages of establishing a customs-bonded warehouse in the EU and has been granted approval for its own customs warehouse with its depot in Frankfurt, Germany. This new warehouse enables optimization of the distribution process, shorten timelines for imports and supplies, and allow its highly qualified QPs to dedicate all of their time to required regulatory tasks.

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[1] 2003/94/EC, Art.4

[2] Council Regulation (EEC) No 2913/92 of 12 October 1992 establishing the Community Customs Code, Art. 99

[3] §21 German Medicinal Product Law

[4] §73 AMG, clause 2 phrase 3

[5] Art. 109 Community Code of Customs