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Preet Kaur Gill MP
Parliamentary Under-Secretary of State
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3 June 2026

Dear Preet,

I am writing to you further to our discussions about drugs available in the Early Access Programme and the VAT charging issue. As Chair of the APPG on Access to Medicines and Medical Devices, I would like to ask for your support in ensuring that the Government makes permanent HMRC's reported pause on enforcing VAT charges on pharmaceutical companies supplying medicines free of charge for compassionate use.

Reports in The Times states that HM Revenue & Customs has told the pharmaceutical industry it will pause enforcing VAT bills for supplying free medicines under these schemes while the Government reviews the policy. This is a welcome and necessary step, but a temporary pause does not provide the certainty that patients, clinicians, and companies need. I am writing because I believe this policy should be permanently reversed.

These schemes provide a lifeline to patients with life-threatening or seriously debilitating conditions who have exhausted standard treatment options and who cannot yet access innovative medicines through normal NHS routes. Charging VAT on medicines supplied free of charge under such schemes creates a perverse disincentive for pharmaceutical companies to continue offering them. Since HMRC started pursuing this revenue stream more assertively last year, there have already been devastating consequences.

For example, Dr Alex Lee, a Consultant Medical Oncologist at The Christie NHS Foundation Trust, has reported that two patients with advanced osteosarcoma were refused access to regorafenib since the beginning of the year because Bayer cited HMRC's VAT decision as the reason it could no longer provide the drug. Tragically, one of those patients has since died. She was just 20 years old and had exhausted all other treatment options.

Similarly, Dr Robin Young, a Consultant Medical Oncologist at Weston Park Cancer Centre, reported that one of his patients—a 62-year-old with metastatic leiomyosarcoma whose disease had progressed through all standard chemotherapy options—was also denied regorafenib in January 2026, again because of Bayer's withdrawal following HMRC's policy. That patient then self-funded an alternative treatment at a cost of £3,500 for one month, before deciding they could not continue.

Dr Young has also said that he did not apply for regorafenib for another patient with advanced angiosarcoma because Bayer's "blanket withdrawal" meant the application would almost certainly fail. This was a treatment he would previously have considered standard care.

These are just a handful of those already impacted by this decision by HMRC – I have met several charities and organisations who are worried about further withdrawals of medicines via the EAP – or delays in future innovative and life-saving medicines being put into the programme in future.

Beyond the direct impact on patients, there are also broader concerns about the UK's position as a global leader in life sciences and clinical research. If pharmaceutical companies are being pursued for VAT incurred by providing drugs for free after clinical trials end, they may be less willing to run studies in the UK. That could reduce patient access to cutting-edge treatments and undermine the Government's ambition for the UK to be a life sciences superpower. As we have met and discussed before, my constituency is home to many life sciences and pharmaceutical manufacturing companies who are keen that the UK remains as competitive as possible in this space.

I welcome the fact that ministers including Pat Vallance have acknowledged the seriousness of the issue and are in discussions with the sector. However, to undo the damage already caused by this policy, clinicians and pharmaceuticals need long term certainty that providing free-of-charge supply of medicines under compassionate use, early access, and post-trial continuity of care schemes will not trigger VAT liabilities.

Thank you for your consideration of this issue and I look forward to hearing from you soon.

Yours sincerely,

Danny Beales MP
Uxbridge and South Ruislip