



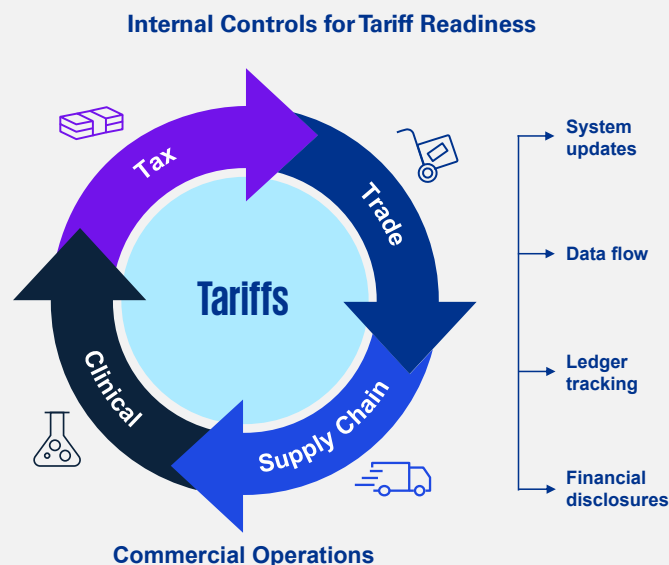
Financial reporting readiness for the evolving tariff landscape

Navigating complex changes with confidence

Life Sciences companies are facing an increasingly uncertain tariff situation. Recent U.S. tariffs and countermeasures have reshaped global trade dynamics and introduced new macroeconomic uncertainties. Tariffs now present significant operational and strategic challenges, affecting long-standing international trade relationships. This uncertainty extends beyond financial measures to impact critical processes and controls, necessitating a cross-functional approach that engages tax, trade, supply chain, clinical and commercial operations to manage both immediate and long-term challenges for Life Sciences companies.

Common challenges for Life Sciences companies include:

- Strategic implications of tariff changes
- Compliance with new tariff rules and regulations
- Organizations may need to redesign and document the end-to-end process, systems, and controls used in recording tariffs
- Accurately recording the financial impact of tariffs, including accruals
- Financial disclosures and reporting



The question is no longer if tariffs will impact a company, but when, and how much.

Things to consider

Who owns tariff compliance and regulatory understanding?

Tariffs must be calculated at the underlying raw material/component level based on the point of origin.

How are tariff rates managed and updated in systems and are these systems currently in-scope for internal control testing?

What controls govern tariff data flow and ledger tracking?

Judgment around changes to inventory reserves that will include estimates of inventory levels, mitigation strategies and timing.

Are tariffs disclosed appropriately in financial statements?

How KPMG can help

▶ Host specialized cross functional sessions and provide training on far reaching impacts across the organization.

▶ Provide feedback and observations on current calculation structure and methodology and assist in model implementation in a sustainable, auditable manner.

▶ Conduct extensive process walkthroughs, leveraging KPMG LLP generative AI capabilities to analyze current processes, streamline documentation, and help you design, build, or elevate systems and workflows that are sustainable and flexible for the future.

▶ Ingest process documentation via KPMG generative AI capability to establish baseline of data flow and support control attribute documentation and data cleansing for audit readiness. Assist in design and implementation of new or modified key controls as needed.

▶ Help identify and document underlying process and controls and support positions taken with whitepapers.

▶ Draft disclosures for Topic 275 and assess MD&A and S-K risk factor requirements.

The KPMG approach

Our Auditability and Readiness for the Evolving Tariff Landscape brings together a cross-functional team to support Life Sciences organizations across audit preparation, financial reporting, compliance, customs and duties, and strategic planning. Our professionals collaborate with you from design and implementation through audit support, helping ensure your processes are accurate, compliant, and resilient. With deep regulatory insight and industry experience, we help you build a future-ready approach that adapt to evolving requirements and drive long-term value.

How KPMG can add value to you

KPMG brings deep industry insight and cross-functional experience to help Life Sciences companies navigate tariff complexity with clarity and confidence. Our support is tailored to your needs and focused on delivering measurable outcomes:

- **Accelerate audit readiness:** Help you move from reactive compliance to proactive audit preparedness—reducing surprises and increasing confidence in your controls and disclosures.
- **Bridge operational and financial impacts:** Our teams connect the dots between tariff-driven supply chain changes and their downstream effects on financial reporting, forecasting, and risk management.
- **Embed scalable approaches:** We help you implement intelligent, automated processes that are sustainable, auditable, and adaptable to future regulatory shifts.
- **Strengthen stakeholder trust:** From internal audit to external regulators, we help you deliver clear, defensible documentation that withstands scrutiny and supports your narrative.
- **Drive strategic decision-making:** With insights grounded in data and regulatory knowledge, we help you evaluate trade-offs, model scenarios, and align tariff strategy with business goals.

Learn more:

Discover how KPMG can help you stay audit ready and compliant in a shifting global trade environment.

[>> Trade and Tariff Insights](#)

Be audit ready, not audit worried.

Our cross-functional teams help you get there by assessing your current state, leveraging advanced technology to identify control gaps and risk points, and embedding intelligent, automated approaches that reduce process burden across your organization. We incorporate benchmarking and leading practices to align your processes with industry leading practices, helping to ensure they are audit-ready, clearly documented, and built to withstand scrutiny while enabling confident leadership.

Forward-thinking approach

At KPMG, we understand that successful management of tariff impacts requires a strategic, long-term perspective. Our approach is designed to be an integral part of your organization's overall compliance and financial management methodology, rather than a reactive, short-term fix. We help you address current challenges while preparing for future uncertainties and changes in the global trade environment.

By teaming with KPMG, you can focus on your core business objectives while helping to ensure that your organization remains audit-ready and compliant. Our combination of professional guidance, advanced analytics, and leading practices can give you the confidence to move forward with certainty in the face of evolving tariffs.

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