



**[insert programme name (acronym)]**

## Model Grant Agreement

Operating Grants

**(JUST/REC Operating Grants MGA — Mono)**

Version 1.0  
01 June 2021

### Disclaimer

This document is aimed at assisting applicants. It shows the full range of provisions that may be applied to this type of agreement, and is provided for information purposes only. The legally binding agreement will be that which is signed by the parties in the system.



<b>HISTORY OF CHANGES</b>		
<b>Version</b>	<b>Publication date</b>	<b>Changes</b>
1.0	01.06.2021	▪ Initial version.



EUROPEAN COMMISSION

[NAME DG]

[Name Directorate]

[Name Unit]

**MODEL GRANT AGREEMENT FOR THE  
[XXX PROGRAMME (XXX)]<sup>1</sup>  
[XXX PROGRAMME (XXX)]<sup>2</sup>  
OPERATING GRANTS  
([XXX OPERATING GRANTS MGA — MONO])**

- Options *[in green square brackets]* will be automatically activated during grant agreement preparation in the IT tools. Options not chosen will automatically either not appear or appear as ‘not applicable’. Options chosen will appear without brackets and without the green instruction.
- For fields in *[grey in square brackets]*, the system will insert the appropriate data.
- Text in *grey* indicates that text which is used in other EU programmes is not applicable for this programme.
- Text in *purple* is special text for the Operating Grants MGA.
- Footnotes in green are internal instructions and will not appear in the text generated by the system for signature.

**GRANT AGREEMENT**

Project [insert number] — [insert acronym]

**PREAMBLE**

This Agreement (‘the Agreement’) is **between** the following parties:

**on the one part,**

*[OPTION 1: the **European Union** (‘EU’), represented by the European Commission (‘European Commission’ or ‘granting authority’),]*

*[/[OPTION 2: the **European Atomic Energy Community** (‘Euratom’), represented by the European Commission (‘European Commission’ or ‘granting authority’),/]*

*[OPTION 3 for direct management by executive agencies: the **[European Climate, Infrastructure and Environment Executive Agency (CINEA)] [European Education and Culture Executive Agency (EACEA)] [European Research Council Executive Agency (ERCEA)] [European Health and Digital Executive Agency (HaDEA)] [European***

<sup>1</sup> Regulation (EU) 2020/XX of the European Parliament and of the Council of XX December 20XX establishing a XXX programme for the period 2021-2027 (OJ XXX).

<sup>2</sup> Regulation (EU) 2020/XX of the European Parliament and of the Council of XX December 20XX establishing a XXX programme for the period 2021-2027 (OJ XXX).

**Innovation Council and SME Executive Agency (EISMEA)] /European Research Executive Agency (REA)]** (‘EU executive agency’ or ‘granting authority’), under the powers delegated by the European Commission (‘European Commission’),]

*[OPTION 4 for indirect management by EU funding bodies: [insert name of funding body] (‘granting authority’)]*, under the powers delegated by the European Commission (‘European Commission’)]]

**and**

**on the other part,**

1. ‘the coordinator’:

**[COO legal name (short name)]**, PIC [number], established in [legal address],

Unless otherwise specified, references to ‘beneficiary’ or ‘beneficiaries’ include the coordinator and affiliated entities (if any).

If only one beneficiary signs the grant agreement (‘mono-beneficiary grant’), all provisions referring to the ‘coordinator’ or the ‘beneficiaries’ will be considered — mutatis mutandis — as referring to the beneficiary.

The parties referred to above have agreed to enter into the Agreement.

By signing the Agreement and the accession forms, the beneficiaries accept the grant and agree to implement the action under their own responsibility and in accordance with the Agreement, with all the obligations and terms and conditions it sets out.

The Agreement is composed of:

Preamble

Terms and Conditions (including Data Sheet)

Annex 1 Description of the action<sup>3</sup>

Annex 2 Estimated budget for the action

Annex 2a Additional information on unit costs and contributions (if applicable)

Annex 3 Accession forms (if applicable)<sup>4</sup>

Annex 3a Declaration on joint and several liability of affiliated entities (if applicable)<sup>5</sup>

Annex 4 Model for the financial statements

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<sup>3</sup> Template published on [Portal Reference Documents](#).

<sup>4</sup> Template published on [Portal Reference Documents](#).

<sup>5</sup> Template published on [Portal Reference Documents](#).

Project: [insert number] — [insert acronym] — [insert call identifier]

EU Grants: [JUST/REC Operating Grants MGA — Mono]: V1.0 – 01.06.2021

Annex 5 Specific rules (if applicable)

## **TERMS AND CONDITIONS**

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## **DATA SHEET**

**⚠** *For the options that apply to your programme, please see the Programme General MGA available on [Portal Reference Documents](#).*

### **1. General data**

Project summary:

Project summary
Text from DoA Annex 1 Part A (same text as proposal abstract)

Keywords: [keywords from proposal]

Project number: [project number, e.g. 690853330]

Project name: [full title]

Project acronym: [acronym]

Call: [call ID, e.g. PROG-(SUBPROG-)YEAR-CALLABREV]

Topic: [topic ID, e.g. PROG-(SUBPROG-)YEAR-CALLABREV-NN/TOPICABBREV]

Type of action: [ToA, e.g. JUST Operating Grants]

Granting authority: /European Commission – EU/ /European Commission – Euratom/ /[[name of Executive Agency]/  
/[[name of EU funding body]]/

Grant managed through EU Funding & Tenders Portal: *[OPTION 1 for eGrants: Yes (eGrants)] [OPTION 2 for paper grants: No]*

*[OPTION for SGAs: Framework Partnership Agreement No [insert number] — [insert acronym]]*

Project starting date<sup>6</sup>: *[OPTION 1 by default: [first day of the month following the entry into force date]/[day after the entry into force date] [the effective starting date notified by the beneficiaries (to be notified within [X] months from entry into force date)]] [OPTION 2 if selected for the grant: fixed date: [dd/mm/yyyy]]*

Project end date: [dd/mm/yyyy]

Project duration: [number of months, e.g. 12 months]

*[OPTION for programmes with linked actions: [OPTION if selected for the grant: Linked action: Linked with other action:*

- [insert linked action information, e.g. name, acronym, number, funded by (EU/name of other donor organisation), description (grant/ procurement/ prize/ equity investment/ repayable loan/etc)]
  - *[OPTION if selected for the grant: Linked action type: [Synergy]/[Blended finance (linked action)]]*
  - Collaboration agreement: *[OPTION 1 by default: No] [OPTION 2 if selected for the call: Yes]*
- ... ]]

Consortium agreement: n/a

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<sup>6</sup> This date must normally be the first day of a month and later than the entry into force of the agreement. The RAO can decide on another date, if justified by the applicants. However, the starting date may not be earlier than the submission date of the grant application – except if provided for by the basic act or in cases of extreme urgency and conflict prevention (Article 193 EU Financial Regulation 2018/1046).

Project: [insert number] — [insert acronym] — [insert call identifier]

EU Grants: [JUST/REC Operating Grants MGA — Mono]: V1.0 – 01.06.2021

[Additional information: [insert information]]

## 2. Participants

List of participants:

Number	Role	Short name	Legal name	Country	PIC	Total eligible costs (BEN and AE)	Maximum grant amount	Entry date	Exit date
1	COO			[country]		[amount]	[amount]	[date]	
Total						[amount]	[amount]		

## 3. Grant

Maximum grant amount, total estimated eligible costs and contributions and funding rate:

Total eligible costs (BEN and AE)	Funding rate (%)	Maximum grant amount (Annex 2)	<i>[OPTION for programmes with contingency reserve: Contingency reserve]</i>	Maximum grant amount (award decision)
[amount]	[...], [...]	[amount]	[amount]]	[amount]

Grant form: Budget-based

Grant mode: Operating grant

Budget categories/activity types: [list of applicable budget categories/activity types, e.g.]

- A. Personnel costs
  - A.1 Employees, A.2 Natural persons under direct contract, A.3 Seconded persons
  - A.5 Volunteers
- B. Subcontracting costs
- C. Purchase costs
  - C.1 Travel and subsistence
  - C.2 Equipment
  - C.3 Other goods, works and services
- [ D. Other cost categories
  - D.1 Financial support to third parties
  - [insert other cost category]]

Cost eligibility options: [n/a]

- [In-kind contributions eligible costs]
- [Parental leave]
- [Standard supplementary payments] [Project-based supplementary payments]

- [Average personnel costs (unit cost according to usual cost accounting practices)]
- [[OPTION if selected for the call<sup>7</sup>: Additional subcontracting rules]]
- [[OPTION if selected for the call: Country restrictions for subcontracting costs]]
- [[OPTION if selected for the call<sup>8</sup>: Additional purchasing rules]]
- [Travel and subsistence:
  - Travel: [Actual costs][Unit or actual costs]
  - Accommodation: [Actual costs][Unit or actual costs]
  - Subsistence: [Actual costs][Unit or actual costs]
- [Equipment: [OPTION 2: depreciation only] [OPTION 3: full cost only] [OPTION 4: depreciation and full cost for listed equipment][OPTION 5: full cost and depreciation for listed equipment] [OPTION 6: [OPTION 1 by default: depreciation only][OPTION 2 if selected for the call: full cost only][OPTION 3 if selected for the call: depreciation and full cost for listed equipment][OPTION 4 if selected for the call: full cost and depreciation for listed equipment]]]
- [Costs for providing financial support to third parties ([actual cost][unit cost]; max amount for each recipient: EUR [60 000][[...]]<sup>9</sup>)]
- VAT: Yes
- [[OPTION if selected for the grant: Double funding for Synergy actions]]
- [[OPTION if selected for the call: Country restrictions for eligible costs]]
- [Other ineligible costs]

**Budget flexibility:** [No][Yes ([no flexibility cap][with flexibility cap])]

[[OPTION if selected for the call: Additional record-keeping rules (art 20)]]

#### **4. Reporting, payments and recoveries**

##### **4.1 Continuous reporting** (art 21)

**Deliverables:** see Funding & Tenders Portal Continuous Reporting tool

##### **4.2 Periodic reporting and payments**

**Reporting and payment schedule** (art 21, 22):

Reporting			Payments			
Reporting periods			Type	Deadline	Type	Deadline (time to pay)
RP No	Month from	Month to				

<sup>7</sup> If the RAO decides to set specific rules, they must be set out in the call and take into account the value of the contracts and the relative size of the EU contribution in relation to the total cost of the action and the risk (proportionality). Specific rules may only be set for the award of contracts of a value higher than EUR 60 000.

<sup>8</sup> If the RAO decides to set specific rules, they must be set out in the call and take into account the value of the contracts and the relative size of the EU contribution in relation to the total cost of the action and the risk (proportionality). Specific rules may only be set for the award of contracts of a value higher than EUR 60 000.

<sup>9</sup> The amount applicable to the call must be specified in the call conditions. It may not be more than 60 000 EUR, unless the objective of the actions funded by the call would otherwise be impossible or overly difficult to achieve (Article 204 EU Financial Regulation 2018/1046). A higher amount may exceptionally be agreed with the granting authority, if this is announced in the call and is needed because otherwise the objective of the action would be impossible or overly difficult to achieve.

					Initial prefinancing	<p>[OPTION 1 by default: 30 days from [OPTION 1: entry into force/10 days before starting date/financial guarantee (if required)]]</p> <p>[OPTION 2: entry into force/starting date/financial guarantee (if required)]]</p> <p>[OPTION 3: entry into force/financial guarantee (if required)]] [OPTION 5: date of notification of the starting date/10 days before the starting date/financial guarantee (if required)]] – whichever is the latest]</p> <p>[OPTION 2: if selected for the call: n/a]</p>
					1	[number]
2	[number]	[number]	Periodic report	60 days after end of reporting period	Interim payment	[OPTION 1 if selected for the grant: 90 days from receiving periodic report]/[OPTION 2: n/a]
3	[number]	[number]	Periodic report	60 days after end of reporting period	Final payment	90 days from receiving periodic report

**Prefinancing payments and guarantees:** [n/a]

Prefinancing payment		Prefinancing guarantee		
Type	Amount	Guarantee amount	Division per participant	
Prefinancing 1 (initial)	/[amount] /n/a]	/[amount] /n/a]	1 – [short name]	[n/a] /[/amount]
			2 – [short name]	
			2.1 – [short name]	
Prefinancing 2 (additional)	n/a	n/a	1 – [short name]	n/a
			2 – [short name]	n/a
			2.1 – [short name]	n/a

**Reporting and payment modalities (art 21, 22):**

Mutual Insurance Mechanism (MIM): [No]/[Yes]

[OPTION for programmes with Mutual Insurance Mechanism (MIM): MIM contribution: [5%][[...]]% of the maximum grant amount ([insert amount]), retained from the initial prefinancing] [additional OPTION for programmes with MIM split contribution: [additional OPTION if selected for the call: , [...]]% of the maximum grant amount ([insert amount]), retained from the second prefinancing] [additional OPTION if selected for the call: and [...]]% of the maximum grant amount ([insert amount]), retained from the third prefinancing]]

Interim payment ceiling (if any): [90%][[100%][[...]]] of the maximum grant amount

[Early prefinancing clearing (before reaching interim payment ceiling): /100%/[...]%] of the prefinancing to be cleared before interim payments can be made ]

[OPTION if selected for the call: Exception for revenues: Yes]

No-profit rule: [n/a]/[OPTION if selected for the grant<sup>10</sup>: No/Yes]

Late payment interest: [ECB + 3.5%/[...]]

Bank account for payments:

[IBAN account number and SWIFT/BIC, e.g. IT75Y0538703601000000198049; GEBABEBB]

Conversion into euros: [n/a]/[Double conversion]/[Double conversion (EU or Oanda)]/[Direct conversion]

Reporting language: [Language of the Agreement]/[other language(s)]/[insert information, e.g. Language of the Agreement or other EU official language, if specified in the call conditions)]

#### **4.3 Certificates** (art 24):

Certificates on the financial statements (CFS): [n/a]

[OPTION 1 for programmes with standard CFS rules (interim/final payment + one/two thresholds):

Conditions:

Schedule: interim/final payment, if threshold is reached

Standard threshold (beneficiary-level):

- ~~f~~financial statement: requested EU contribution to costs  $\geq$  EUR 100 000

[additional OPTION for programmes with SPA: Special threshold for beneficiaries with a systems and process audit(see Article 24): financial statement: requested EU contribution to costs  $\geq$  EUR [...]]

[OPTION if selected for the grant: Exempted beneficiaries:

- [BEN/AE legal name (short name)]
- [BEN/AE legal name (short name)] ]

#### **4.4 Recoveries** (art 22)

**First-line liability for recoveries:** n/a

**Joint and several liability for enforced recoveries (in case of non-payment):** n/a

### **5. Consequences of non-compliance, applicable law & dispute settlement forum**

**[Suspension and termination:**

[Additional suspension grounds (art 31)]

[Additional termination grounds (art 32)]

**Applicable law** (art 43):

Standard applicable law regime: EU law + law of Belgium

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<sup>10</sup> This is a standard obligation for all EU grants. It may be unselected only under the conditions of Article 192(3) EU Financial Regulation 2018/1046:

- actions with the objective to reinforce the financial capacity of the beneficiaries
- actions where the continuity after their end is to be ensured by the income generated by the action
- grants in the form of study, research or training scholarships paid to natural persons or as other forms of direct support paid to natural persons who are most in need
- grants which are entirely in the form of financing not linked to costs
- actions implemented only by non-profit organisations (i.e. all beneficiaries and affiliated entities are non-profit organisations)
- grants with a maximum amount of not more than EUR 60 000 (low value grants).

**Dispute settlement forum** (art 43):

Standard dispute settlement forum:

EU beneficiaries: EU General Court + EU Court of Justice (on appeal)

Non-EU beneficiaries: Courts of Brussels, Belgium (unless an international agreement provides for the enforceability of EU court judgements)

**6. Other**

**Specific rules (Annex 5):** *[No]/[Yes]*

**Standard time-limits after project end:**

Confidentiality (for X years after final payment): 5

Record-keeping (for X years after final payment): 5 (or 3 for grants of not more than EUR 60 000)

Reviews (up to X years after final payment): *[2]/5* (or 3 for grants of not more than EUR 60 000)

Audits (up to X years after final payment): *[2]/5* (or 3 for grants of not more than EUR 60 000)

Extension of findings from other grants to this grant (no later than X years after final payment): *[2] /5* (or 3 for grants of not more than EUR 60 000)

Impact evaluation (up to X years after final payment): 5 (or 3 for grants of not more than EUR 60 000)

## **CHAPTER 1 GENERAL**

### **ARTICLE 1 — SUBJECT OF THE AGREEMENT**

This Agreement sets out the rights and obligations and terms and conditions applicable to the grant awarded [*OPTION for SGAs*: under Framework Partnership Agreement No [insert number] — [insert acronym]] for the implementation of the action set out in Chapter 2.

### **ARTICLE 2 — DEFINITIONS**

For the purpose of this Agreement, the following definitions apply:

- Action — The project which is being funded in the context of this Agreement.
- Grant — The grant awarded in the context of this Agreement.
- EU grants — Grants awarded by EU institutions, bodies, offices or agencies (including EU executive agencies, EU regulatory agencies, EDA, joint undertakings, etc).
- Participants — Entities participating in the action as beneficiaries, affiliated entities, associated partners, third parties giving in-kind contributions, subcontractors or recipients of financial support to third parties.
- Beneficiaries (BEN) — The signatories of this Agreement (either directly or through an accession form).
- Affiliated entities (AE) — Entities affiliated to a beneficiary within the meaning of Article 187 of EU Financial Regulation 2018/1046<sup>11</sup> which participate in the action with similar rights and obligations as the beneficiaries (obligation to implement action tasks and right to charge costs and claim contributions).
- Associated partners (AP) — Entities which participate in the action, but without the right to charge costs or claim contributions.
- Purchases — Contracts for goods, works or services needed to carry out the action (e.g. equipment, consumables and supplies) but which are not part of the action tasks (see Annex 1).

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<sup>11</sup> For the definition, see Article 187 Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ('EU Financial Regulation') (OJ L 193, 30.7.2018, p. 1): "**affiliated entities** [are]:

- (a) entities that form a sole beneficiary [(i.e. where an entity is formed of several entities that satisfy the criteria for being awarded a grant, including where the entity is specifically established for the purpose of implementing an action to be financed by a grant)];
- (b) entities that satisfy the eligibility criteria and that do not fall within one of the situations referred to in Article 136(1) and 141(1) and that have a link with the beneficiary, in particular a legal or capital link, which is neither limited to the action nor established for the sole purpose of its implementation".

Subcontracting — Contracts for goods, works or services that are part of the action tasks (see Annex 1).

In-kind contributions — In-kind contributions within the meaning of Article 2(36) of EU Financial Regulation 2018/1046, i.e. non-financial resources made available free of charge by third parties.

Fraud — Fraud within the meaning of Article 3 of EU Directive 2017/1371<sup>12</sup> and Article 1 of the Convention on the protection of the European Communities' financial interests, drawn up by the Council Act of 26 July 1995<sup>13</sup>, as well as any other wrongful or criminal deception intended to result in financial or personal gain.

Irregularities — Any type of breach (regulatory or contractual) which could impact the EU financial interests, including irregularities within the meaning of Article 1(2) of EU Regulation 2988/95<sup>14</sup>.

Grave professional misconduct — Any type of unacceptable or improper behaviour in exercising one's profession, especially by employees, including grave professional misconduct within the meaning of Article 136(1)(c) of EU Financial Regulation 2018/1046.

Applicable EU, international and national law — Any legal acts or other (binding or non-binding) rules and guidance in the area concerned.

Portal — EU Funding & Tenders Portal; electronic portal and exchange system managed by the European Commission and used by itself and other EU institutions, bodies, offices or agencies for the management of their funding programmes (grants, procurements, prizes, etc).

## **CHAPTER 2 ACTION**

### **ARTICLE 3 — ACTION**

The grant is awarded to support the work programme of activities of the beneficiary and its general running costs for one financial year ~~for the action~~ [insert project number] — [insert acronym] ('action'), as described in Annex 1.

*[OPTION for programmes with linked actions: [OPTION if selected for the grant (for linked actions)]<sup>15</sup>: This action is linked to the action(s) set out in the Data Sheet (see Point 1) ('linked actions').]*

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<sup>12</sup> Directive (EU) 2017/1371 of the European Parliament and of the Council of 5 July 2017 on the fight against fraud to the Union's financial interests by means of criminal law (OJ L 198, 28.7.2017, p. 29).

<sup>13</sup> OJ C 316, 27.11.1995, p. 48.

<sup>14</sup> Council Regulation (EC, Euratom) No 2988/95 of 18 December 1995 on the protection of the European Communities financial interests (OJ L 312, 23.12.1995, p. 1).

## ARTICLE 4 — DURATION AND STARTING DATE

The duration and the starting date of the action are set out in the Data Sheet (see Point 1).

## CHAPTER 3 GRANT

### ARTICLE 5 — GRANT

#### 5.1 Form of grant

The grant is an **operating grant**<sup>16</sup> which takes the form of a [budget-based][activity-based] mixed actual cost grant (i.e. a grant based on actual costs incurred, but which may also include other forms of funding, such as unit costs or contributions, flat-rate costs or contributions, lump sum costs or contributions or financing not linked to costs).

#### 5.2 Maximum grant amount

The maximum grant amount is set out in the Data Sheet (see Point 3) and in the estimated budget (Annex 2).

*[OPTION for programmes with contingency reserve: [OPTION if selected for the call: The maximum grant amount can be raised at the end of the action, by activating the contingency reserve set out in the Data Sheet (see Point 3).]]*

#### 5.3 Funding rate

*[OPTION 1 for programmes with single funding rate per action: The funding rate for costs is [...]% of the action's eligible costs. Contributions are not subject to any funding rate.]*

#### 5.4 Estimated budget, budget categories and forms of funding

The estimated budget for the action is set out in Annex 2.

It contains the estimated eligible costs and contributions for the action, broken down by participant *[OPTION for programmes with activity-based budget: , type of activity]* and budget category.

Annex 2 also shows the types of costs and contributions (forms of funding)<sup>17</sup> to be used for each budget category.

If unit costs or contributions are used, the details on the calculation will be explained in Annex 2a.

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<sup>15</sup> Linked actions cover all types of joint/combined/coordinated actions, where the action implementation should be linked to another action (e.g. Horizon complementary grants, Horizon joint actions; Horizon MSCA SNLS grants, EDIDP COFUND, JU implementing grants, etc.).

<sup>16</sup> For the definition, see Article 180(2)(b) EU Financial Regulation 2018/1046: ‘operating grant’ means an EU grant to finance “the functioning of a body which has an objective forming part of and supporting an EU policy”.

<sup>17</sup> See Article 125 EU Financial Regulation 2018/1046.

## 5.5 Budget flexibility

The budget breakdown may be adjusted — without an amendment (see Article 39) — by transfers (between participants and budget categories), as long as this does not imply any substantive or important change to the description of the action in Annex 1.

However:

- changes to the budget category for volunteers (if used) always require an amendment
- changes to budget categories with lump sums costs or contributions (if used; including financing not linked to costs) always require an amendment
- changes to budget categories with higher funding rates or budget ceilings (if used) always require an amendment
- addition of amounts for subcontracts not provided for in Annex 1 either require an amendment or simplified approval in accordance with Article 6.2
- other changes require an amendment or simplified approval, if specifically provided for in Article 6.2
- *[OPTION 1 by default: flexibility caps: not applicable] [OPTION 2 for programmes with flexibility caps: [OPTION 1 by default: flexibility caps: not applicable] [OPTION 2 if selected for the call: flexibility caps: [transfers between budget categories of more than [20%][[...%]] [of the total costs and contributions][per budget category] set out in Annex 2 require an amendment][[other]]]*.

## ARTICLE 6 — ELIGIBLE AND INELIGIBLE COSTS AND CONTRIBUTIONS

In order to be eligible, costs and contributions must meet the **eligibility** conditions set out in this Article.

### 6.1 General eligibility conditions

The **general eligibility conditions** are the following:

- (a) for actual costs:
  - (i) they must be actually incurred by the beneficiary
  - (ii) they must be incurred in the period set out in Article 4 (with the exception of costs relating to the submission of the final periodic report, which may be incurred afterwards; see Article 21)
  - (iii) they must be declared under one of the budget categories set out in Article 6.2 and Annex 2
  - (iv) they must be incurred in connection with the action as described in Annex 1 and necessary for its implementation
  - (v) they must be identifiable and verifiable, in particular recorded in the beneficiary's accounts in accordance with the accounting standards applicable

in the country where the beneficiary is established and with the beneficiary's usual cost accounting practices

- (vi) they must comply with the applicable national law on taxes, labour and social security and
- (vii) they must be reasonable, justified and must comply with the principle of sound financial management, in particular regarding economy and efficiency

(b) for unit costs or contributions (if any):

- (i) they must be declared under one of the budget categories set out in Article 6.2 and Annex 2
- (ii) the units must:
  - be actually used or produced by the beneficiary in the period set out in Article 4 (with the exception of units relating to the submission of the final periodic report, which may be used or produced afterwards; see Article 21)
  - be necessary for the implementation of the action and
- (iii) the number of units must be identifiable and verifiable, in particular supported by records and documentation (see Article 20)

(c) for flat-rate costs or contributions (if any):

- (i) they must be declared under one of the budget categories set out in Article 6.2 and Annex 2
- (ii) the costs or contributions to which the flat-rate is applied must:
  - be eligible
  - relate to the period set out in Article 4 (with the exception of costs or contributions relating to the submission of the final periodic report, which may be incurred afterwards; see Article 21)

(d) for lump sum costs or contributions (if any):

- (i) they must be declared under one of the budget categories set out in Article 6.2 and Annex 2
- (ii) the work must be properly implemented by the beneficiary in accordance with Annex 1
- (iii) the deliverables/outputs must be achieved in the period set out in Article 4 (with the exception of deliverables/outputs relating to the submission of the final periodic report, which may be achieved afterwards; see Article 21)

(e) for unit, flat-rate or lump sum costs or contributions according to usual cost accounting practices (if any):

- (i) they must fulfil the general eligibility conditions for the type of cost concerned
  - (ii) the cost accounting practices must be applied in a consistent manner, based on objective criteria, regardless of the source of funding
- (f) for financing not linked to costs (if any): the results must be achieved or the conditions must be fulfilled as described in Annex 1.

*[OPTION for programmes with in-kind contributions eligible: In-kind contributions provided by third parties free-of charge may be declared as eligible direct costs by the beneficiaries which use them (under the same conditions as if they were their own, provided that they concern only direct costs and that the third parties and their in-kind contributions are set out in Annex 1 (or approved ex post in the periodic report, if their use does not entail changes to the Agreement which would call into question the decision awarding the grant or breach the principle of equal treatment of applicants; ‘simplified approval procedure’).]*

## 6.2 Specific eligibility conditions for each budget category

For each budget category, the **specific eligibility conditions** are as follows:

### A. Personnel costs

*[OPTION 2 for programmes with personnel costs (standard):*

**A.1 Costs for employees (or equivalent)** are eligible as personnel costs if they fulfil the general eligibility conditions and are related to personnel working for the beneficiary under an employment contract (or equivalent appointing act) and **either part of the general management or common services (e.g. administration and finance, accounting, HR, training, documentation, IT) or assigned to the work programme-related activities.**

They must be limited to salaries, social security contributions, taxes and other costs linked to the remuneration, if they arise from national law or the employment contract (or equivalent appointing act) and be calculated on the basis of the costs actually incurred, in accordance with the following method:

{ daily rate for the person  
multiplied by  
number of day-equivalents worked on the action (rounded up or down to the nearest half-day)}.

The daily rate must be calculated as:

{ annual personnel costs for the person  
divided by  
215 }

The number of day-equivalents declared for a person must be identifiable and verifiable (see Article 20).

The total number of day-equivalents declared in EU grants, for a person for a year, cannot be higher than 215.

*[OPTION A for programmes with standard rules for supplementary payments:* The personnel costs may also include supplementary payments for personnel assigned to the action (including payments on the basis of supplementary contracts regardless of their nature), if:

- it is part of the beneficiary's usual remuneration practices and is paid in a consistent manner whenever the same kind of work or expertise is required
- the criteria used to calculate the supplementary payments are objective and generally applied by the beneficiary, regardless of the source of funding used.]

**A.2 and A.3 Costs for natural persons working under a direct contract** other than an employment contract and costs for **seconded persons by a third party against payment** are also eligible as personnel costs, if they are **either part of the general management or common services or assigned to the work programme-related activities**, fulfil the general eligibility conditions and:

- (a) work under conditions similar to those of an employee (in particular regarding the way the work is organised, the tasks that are performed and the premises where they are performed) and
- (b) the result of the work belongs to the beneficiary (unless agreed otherwise).

They must be calculated on the basis of a rate which corresponds to the costs actually incurred for the direct contract or secondment and must not be significantly different from those for personnel performing similar tasks under an employment contract with the beneficiary.

*[additional OPTION for programmes with volunteers costs:* **A.5** The work of **volunteers** for the action (i.e. persons who freely work for an organisation, on a non-compulsory basis and without being paid) may be declared as personnel costs, if and as declared eligible in the call conditions, if they fulfil the general eligibility conditions and are calculated as unit costs in accordance with the method set out in Annex 2a.

They:

- may not exceed the maximum amount for volunteers for the action (which corresponds to 50% of the total (ineligible and eligible) project costs and contributions estimated in the proposal)
- may not exceed the maximum amount for volunteers for each beneficiary set out in Annex 2
- may not make the maximum EU contribution to costs higher than the total eligible costs without volunteers.]

*[additional OPTION for programmes with other personnel cost categories:* **A.6** [insert name of specific personnel cost category and eligibility conditions].] ]

## **B. Subcontracting costs**

*[OPTION 2 for programmes with subcontracting (standard):*

**Subcontracting costs** for work programme-related activities ~~for the action~~ (including related duties, taxes and charges *[OPTION for programmes with VAT eligible: such as non-deductible or non-refundable value added tax (VAT)]*) are eligible, if they are calculated on the basis of the costs actually incurred, fulfil the general eligibility conditions and are awarded using the beneficiary's usual purchasing practices — provided these ensure subcontracts with best value for money (or if appropriate the lowest price) and that there is no conflict of interests (see Article 12).

Beneficiaries that are 'contracting authorities/entities' within the meaning of the EU Directives on public procurement must also comply with the applicable national law on public procurement.

*[additional OPTION for programmes with additional subcontracting rules: [OPTION if selected for the call]<sup>18</sup>: In addition, if the value of the subcontracts to be awarded exceeds EUR [...], the beneficiaries must comply with the following rules: [...].]*

*[additional OPTION for programmes with country restrictions for subcontracting costs: [OPTION if selected for the call: The beneficiaries must ensure that the subcontracted work is performed in one of the eligible countries or target countries set out in the call conditions — unless otherwise approved by the granting authority.]]*

*[[OPTION if selected for the grant]<sup>19</sup>: Subcontracting may cover only a limited part of the action.]]*

The tasks to be subcontracted and the estimated cost for each subcontract must be set out in Annex 1 and the total estimated costs of subcontracting per beneficiary must be set out in Annex 2 (or may be approved ex post in the periodic report, if the use of subcontracting does not entail changes to the Agreement which would call into question the decision awarding the grant or breach the principle of equal treatment of applicants; 'simplified approval procedure').]

### C. Purchase costs

*[OPTION 2 for programmes with purchase costs (standard):*

**Purchase costs** (including related duties, taxes and charges *[OPTION for programmes with VAT eligible: such as non-deductible or non-refundable value added tax (VAT)]*) are eligible if they fulfil the general eligibility conditions and are bought using the beneficiary's usual

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<sup>18</sup> If the RAO decides to set specific rules, they must be set out in the call and take into account the value of the contracts and the relative size of the EU contribution in relation to the total cost of the action and the risk (proportionality). Specific rules may only be set for the award of contracts of a value higher than EUR 60 000.

<sup>19</sup> This is a standard obligation for all EU grants. It may be unselected only for actions where subcontracting is a key/large part of the action (e.g. infrastructure projects; PCP/PPI; technical assistance, statistical programmes, etc).

purchasing practices — provided these ensure purchases with best value for money (or if appropriate the lowest price) and that there is no conflict of interests (see Article 12).

Beneficiaries that are ‘contracting authorities/entities’ within the meaning of the EU Directives on public procurement must also comply with the applicable national law on public procurement.

*[additional OPTION for programmes with additional purchasing rules: [OPTION if selected for the call<sup>20</sup>: In addition, if the value of the goods, works or services to be purchased exceeds EUR [...], the beneficiaries must comply with the following rules: [...].]] ]*

## C.1 Travel and subsistence

*[OPTION 2 for programmes with travel and subsistence costs:*

Purchases for **travel, accommodation and subsistence** for work programme-related activities must be calculated as follows:

- travel: *[OPTION A (actual costs): on the basis of the costs actually incurred and in line with the beneficiary’s usual practices on travel] [OPTION B (unit or actual costs): as unit costs in accordance with the method set out in Annex 2a if covered by Decision C(2021)35<sup>21</sup> or otherwise as costs actually incurred and in line with the beneficiary’s usual practices on travel]*
- accommodation: *[OPTION A (actual costs): on the basis of the costs actually incurred and in line with the beneficiary’s usual practices on travel] [OPTION B (unit or actual costs): as unit costs in accordance with the method set out in Annex 2a if covered by Decision C(2021)35<sup>22</sup> or otherwise as costs actually incurred and in line with the beneficiary’s usual practices on travel]*
- subsistence: *[OPTION A (actual costs): on the basis of the costs actually incurred and in line with the beneficiary’s usual practices on travel] [OPTION B (unit or actual costs): as unit costs in accordance with the method set out in Annex 2a if covered by Decision C(2021)35<sup>23</sup> or otherwise as costs actually incurred and in line with the beneficiary’s usual practices on travel]. ]*

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<sup>20</sup> If the RAO decides to set specific rules, they must be set out in the call and take into account the value of the contracts and the relative size of the EU contribution in relation to the total cost of the action and the risk (proportionality). Specific rules may only be set for the award of contracts of a value higher than EUR 60 000.

<sup>21</sup> Commission Decision of 12 January 2021 authorising the use of unit costs for travel, accommodation and subsistence costs under an action or work programme under the 2021-2027 multi-annual financial framework (C(2021)35).

<sup>22</sup> Commission Decision of 12 January 2021 authorising the use of unit costs for travel, accommodation and subsistence costs under an action or work programme under the 2021-2027 multi-annual financial framework (C(2021)35).

<sup>23</sup> Commission Decision of 12 January 2021 authorising the use of unit costs for travel, accommodation and subsistence costs under an action or work programme under the 2021-2027 multi-annual financial framework (C(2021)35).

## C.2 Equipment

*[OPTION 2 for programmes with depreciation only:*

Purchases of **equipment, infrastructure or other assets for general operations or work programme-related activities** must be declared as depreciation costs, calculated on the basis of the costs actually incurred and written off in accordance with international accounting standards and the beneficiary's usual accounting practices.

Only the portion of the costs that corresponds to the rate of actual use for the action during the action duration can be taken into account.

Costs for **renting or leasing** equipment, infrastructure or other assets are also eligible, if they do not exceed the depreciation costs of similar equipment, infrastructure or assets and do not include any financing fees. ]

## C.3 Other goods, works and services

*[OPTION 2 for programmes with costs for other goods, works and services (standard):*

Purchases of **other goods, works and services for general operations or work programme-related activities** must be calculated on the basis of the costs actually incurred.

Goods, works and services for general operations include, for instance, water, electricity/gas and heating, telephone, fax, internet and e-mail, postal services, bank services and insurance, accounting and legal advice and office supplies. Goods, works and services for work programme-related activities include translations, publications, organising a conference, if needed for the action. ]

## D. Other cost categories

*[OPTION 1 for programmes without specific cost categories:*

Not applicable]

*[OPTION 2 for programmes with financial support to third parties:*

## D.X Financial support to third parties

**Costs for providing financial support to third parties** (in the form of **grants, prizes** or similar forms of support; if any) are eligible, if and as declared eligible in the call conditions, if they fulfil the general eligibility conditions, are calculated [on the basis of the costs actually incurred]/[as unit costs in accordance with the method set out in Annex 2a] and the support is implemented in accordance with the conditions set out in Annex 1.

These conditions must ensure objective and transparent selection procedures and include at least the following:

- (a) for grants (or similar):

- (i) the maximum amount of financial support for each third party ('recipient'); this amount may not exceed the amount set out in the Data Sheet (see Point 3)<sup>24</sup> or otherwise agreed with the granting authority
  - (ii) the criteria for calculating the exact amount of the financial support
  - (iii) the different types of activity that qualify for financial support, on the basis of a closed list
  - (iv) the persons or categories of persons that will be supported and
  - (v) the criteria and procedures for giving financial support
- (b) for prizes (or similar):
- (i) the eligibility and award criteria
  - (ii) the amount of the prize and
  - (iii) the payment arrangements.

~~[This cost will not be taken into account for the indirect cost flat rate.]~~

*[OPTION for programmes with other cost categories: D.X [Insert name of specific cost category]*

*[Insert name of specific cost category, eligibility conditions and rules for calculation] ]*

### **6.3 Ineligible costs and contributions**

The following costs or contributions are **ineligible**:

- (a) costs or contributions that do not comply with the conditions set out above (Article 6.1 and 6.2), in particular:
  - (i) costs related to return on capital and dividends paid by a beneficiary
  - (ii) debt and debt service charges
  - (iii) provisions for future losses or debts
  - (iv) interest owed
  - (v) currency exchange losses
  - (vi) bank costs charged by the beneficiary's bank for transfers from the granting authority
  - (vii) excessive or reckless expenditure

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<sup>24</sup> The amount must be specified in the call. It may not be more than 60 000 EUR, unless the objective of the action would otherwise be impossible or overly difficult (Article 204 EU Financial Regulation 2018/1046).

- (viii) *[OPTION 1 for programmes with VAT eligible: deductible or refundable VAT (including VAT paid by public bodies acting as public authority)] [OPTION 2 for programmes with VAT ineligible: VAT (always ineligible)]*
  - (ix) costs incurred or contributions for activities implemented during grant agreement suspension (see Article 32)
  - (x) *[OPTION 1 by default: in-kind contributions by third parties] [OPTION 2 for programmes with in-kind contributions eligible: in-kind contributions by third parties: not applicable]*
- (b) costs or contributions declared under other EU grants (or grants awarded by an EU Member State, non-EU country or other body implementing the EU budget), except for the following cases:
- (i) *[OPTION 1 for programmes with Synergy actions: [OPTION 1 by default: Synergy actions: not applicable] [OPTION 2 if selected for the grant: if the grants are part of jointly coordinated Synergy actions and the funding under the grants does not go above 100% of the costs and contributions declared to them]] [OPTION 2 for programmes without Synergy actions: Synergy actions: not applicable]*
  - (ii) if the operating grant is combined with an action grant<sup>25</sup> running during the same period and the beneficiary can demonstrate that the operating grant does not cover any (direct or indirect) costs of the action grant
- (c) costs or contributions for staff of a national (or regional/local) administration, for activities that are part of the administration's normal activities (i.e. not undertaken only because of the grant)
- (d) costs or contributions (especially travel and subsistence) for staff or representatives of EU institutions, bodies or agencies
- (e) other<sup>26</sup>:
- (i) *[OPTION 1 by default: country restrictions for eligible costs: not applicable] [OPTION 2 for programmes with country restrictions for eligible costs: [OPTION 1 by default: country restrictions for eligible costs: not applicable] [OPTION 2 if selected for the call: costs or contributions for activities that do not take place in one of the eligible countries or target countries set out in the call conditions — unless approved by the granting authority]]*
  - (ii) *[OPTION 1 by default: other ineligible costs: not applicable] [OPTION 2 for programmes with other ineligible costs: costs or contributions declared specifically ineligible in the call conditions].*

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<sup>25</sup> For the definition, see Article 180(2)(a) EU Financial Regulation 2018/1046: ‘**action grant**’ means an EU grant to finance “an action intended to help achieve a Union policy objective”.

<sup>26</sup> Condition must be specified in the call.

## 6.4 Consequences of non-compliance

If a beneficiary declares costs or contributions that are ineligible, they will be rejected (see Article 27).

This may also lead to other measures described in Chapter 5.

## **CHAPTER 4 GRANT IMPLEMENTATION**

### **SECTION 1 CONSORTIUM: BENEFICIARIES, AFFILIATED ENTITIES AND OTHER PARTICIPANTS**

#### **ARTICLE 7 — BENEFICIARIES**

The beneficiaries, as signatories of the Agreement, are fully responsible towards the granting authority for implementing it and for complying with all its obligations.

They must implement the Agreement to their best abilities, in good faith and in accordance with all the obligations and terms and conditions it sets out.

They must have the appropriate resources to implement the action and implement the action under their own responsibility and in accordance with Article 11. If they rely on affiliated entities or other participants (see Articles 8 and 9), they retain sole responsibility towards the granting authority and the other beneficiaries.

They are jointly responsible for the *technical* implementation of the action. If one of the beneficiaries fails to implement their part of the action, the other beneficiaries must ensure that this part is implemented by someone else (without being entitled to an increase of the maximum grant amount and subject to an amendment; see Article 39). The *financial* responsibility of each beneficiary in case of recoveries is governed by Article 22.

The beneficiaries (and their action) must remain eligible under the EU programme funding the grant for the entire duration of the action. Costs and contributions will be eligible only as long as the beneficiary and the action are eligible.

The **internal roles and responsibilities** of the beneficiaries are divided as follows:

(a) Each beneficiary must:

- (i) keep information stored in the Portal Participant Register up to date (see Article 19)
- (ii) inform the granting authority (and the other beneficiaries) immediately of any events or circumstances likely to affect significantly or delay the implementation of the action (see Article 19)
- (iii) submit to the coordinator in good time:
  - the prefinancing guarantees (if required; see Article 23)
  - the financial statements and certificates on the financial statements (CFS) (if required; see Articles 21 and 24.2 and Data Sheet, Point 4.3)

- the contribution to the deliverables and technical reports (see Article 21)
  - any other documents or information required by the granting authority under the Agreement
- (iv) submit via the Portal data and information related to the participation of their affiliated entities.
- (b) The coordinator must:
- (i) monitor that the action is implemented properly (see Article 11)
  - (ii) act as the intermediary for all communications between the consortium and the granting authority, unless the Agreement or granting authority specifies otherwise, and in particular:
    - submit the prefinancing guarantees to the granting authority (if any)
    - request and review any documents or information required and verify their quality and completeness before passing them on to the granting authority
    - submit the deliverables and reports to the granting authority
    - inform the granting authority about the payments made to the other beneficiaries (report on the distribution of payments; if required, see Articles 22 and 32)
  - (iii) distribute the payments received from the granting authority to the other beneficiaries without unjustified delay (see Article 22).

The coordinator may not delegate or subcontract the above-mentioned tasks to any other beneficiary or third party (including affiliated entities).

However, coordinators which are public bodies may delegate the tasks set out in Point (b)(ii) last indent and (iii) above to entities with ‘authorisation to administer’ which they have created or which are controlled by or affiliated to them. In this case, the coordinator retains sole responsibility for the payments and for compliance with the obligations under the Agreement.

Moreover, coordinators which are ‘sole beneficiaries’<sup>27</sup> (or similar, such as European research infrastructure consortia (ERICs)) may delegate the tasks set out in Point (b)(i) to (iii) above to one of their members. The coordinator retains sole responsibility for compliance with the obligations under the Agreement.

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<sup>27</sup> For the definition, see Article 187(2) EU Financial Regulation 2018/1046: “Where several entities satisfy the criteria for being awarded a grant and together form one entity, that entity may be treated as the **sole beneficiary**, including where it is specifically established for the purpose of implementing the action financed by the grant.”

The beneficiaries must have **internal arrangements** regarding their operation and coordination, to ensure that the action is implemented properly.

If required by the granting authority (see Data Sheet, Point 1), these arrangements must be set out in a written **consortium agreement** between the beneficiaries, covering for instance:

- the internal organisation of the consortium
- the management of access to the Portal
- different distribution keys for the payments and financial responsibilities in case of recoveries (if any)
- additional rules on rights and obligations related to background and results (see Article 16)
- settlement of internal disputes
- liability, indemnification and confidentiality arrangements between the beneficiaries.

The internal arrangements must not contain any provision contrary to this Agreement.

*[OPTION for programmes with linked actions: [OPTION if selected for the grant: For **linked actions**, the beneficiaries must have **arrangements** with the participants of the other action, to ensure that both actions are implemented and coordinated properly.]*

If required by the granting authority (see Data Sheet, Point 1), these arrangements must be set out in a written **collaboration agreement** with the participants of the other action or, if the consortium is the same, as part of their consortium agreement, covering for instance:

- the internal organisation and decision making processes
- the areas where close collaboration/synchronisation is needed (e.g. on management of outputs, common approaches towards standardisation, links with regulatory and policy activities, common communication and dissemination activities, sharing of information, access to background and results, etc.)
- settlement of disputes
- liability, indemnification and confidentiality arrangements between the beneficiaries in both actions.

The arrangements with the participants of the other action must not contain any provision contrary to this Agreement.]]

## **ARTICLE 8 — AFFILIATED ENTITIES**

Not applicable

## **ARTICLE 9 — OTHER PARTICIPANTS INVOLVED IN THE ACTION**

### **9.1 Associated partners**

Not applicable

## 9.2 Third parties giving in-kind contributions to the action

*[OPTION 1 for programmes with in-kind contributions allowed but not eligible (standard):* Other third parties may give in-kind contributions to the action (i.e. personnel, equipment, other goods, works and services, etc. which are free-of-charge), if necessary for the implementation.

Third parties giving in-kind contributions do not implement any action tasks. They may not charge costs or contributions to the action and the costs for the in-kind contributions are not eligible.

The third parties and their in-kind contributions should be set out in Annex 1.]

*[OPTION 2 for programmes with in-kind contributions eligible:*

Other third parties may give in-kind contributions to the action (i.e. personnel, equipment, other goods, works and services, etc. which are free-of-charge) if necessary for the implementation.

Third parties giving in-kind contributions do not implement any action tasks. They may not charge costs or contributions to the action, but the costs for the in-kind contributions are eligible and may be charged by the beneficiaries which use them, under the conditions set out in Article 6. The costs will be included in Annex 2 as part of the beneficiaries' costs.

The third parties and their in-kind contributions should be set out in Annex 1.

The beneficiaries must ensure that the bodies mentioned in Article 25 (e.g. granting authority, OLAF, Court of Auditors (ECA), etc.) can exercise their rights also towards the third parties giving in-kind contributions. ]

## 9.3 Subcontractors

*[OPTION 1 for programmes without subcontractors (ineligible):* Not applicable]

*[OPTION 2 for programmes with subcontractors (standard):* Subcontractors may participate in the action, if necessary for the implementation.

Subcontractors must implement their action tasks in accordance with Article 11. The costs for the subcontracted tasks (invoiced price from the subcontractor) are eligible and may be charged by the beneficiaries, under the conditions set out in Article 6. The costs will be included in Annex 2 as part of the beneficiaries' costs.

The beneficiaries must ensure that their contractual obligations under Articles 11 (proper implementation), 12 (conflict of interest), 13 (confidentiality and security), 14 (ethics), 17.2 (visibility), 18 (specific rules for carrying out action), 19 (information) and 20 (record-keeping) also apply to the subcontractors.

The beneficiaries must ensure that the bodies mentioned in Article 25 (e.g. granting authority, OLAF, Court of Auditors (ECA), etc.) can exercise their rights also towards the subcontractors.]

## 9.4 Recipients of financial support to third parties

*[OPTION 1 for programmes without financial support to third parties: Not applicable]*

*[OPTION 2 for programmes with financial support to third parties: If the action includes providing financial support to third parties (e.g. grants, prizes or similar forms of support), the beneficiaries must ensure that their contractual obligations under Articles 12 (conflict of interest), 13 (confidentiality and security), 14 (ethics), 17.2 (visibility), 18 (specific rules for carrying out action), 19 (information) and 20 (record-keeping) also apply to the third parties receiving the support (recipients).*

The beneficiaries must also ensure that the bodies mentioned in Article 25 (e.g. granting authority, OLAF, Court of Auditors (ECA), etc.) can exercise their rights also towards the recipients. ]

## ARTICLE 10 — PARTICIPANTS WITH SPECIAL STATUS

### 10.1 Non-EU participants

*[OPTION 1 for programmes without non-EU participants (ineligible): Not applicable]*

*[OPTION 2 for programmes with non-EU participants (standard): Participants which are established in a non-EU country (if any) undertake to comply with their obligations under the Agreement and:*

- to respect general principles (including fundamental rights, values and ethical principles, environmental and labour standards, rules on classified information, intellectual property rights, visibility of funding and protection of personal data)
- for the submission of certificates under Article 24: to use qualified external auditors which are independent and comply with comparable standards as those set out in EU Directive 2006/43/EC<sup>28</sup>
- for the controls under Article 25: to allow for checks, reviews, audits and investigations (including on-the-spot checks, visits and inspections) by the bodies mentioned in that Article (e.g. granting authority, OLAF, Court of Auditors (ECA), etc.).

Special rules on dispute settlement apply (see Data Sheet, Point 5).]

### 10.2 Participants which are international organisations

Not applicable

### 10.3 Pillar-assessed participants

*[OPTION 1 for programmes without pillar-assessed entities: Not applicable]*

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<sup>28</sup> Directive 2006/43/EC of the European Parliament and of the Council of 17 May 2006 on statutory audits of annual accounts and consolidated accounts or similar national regulations (OJ L 157, 9.6.2006, p. 87).

*[OPTION 2 for programmes with pillar-assessed entities:* Pillar-assessed participants (if any) may rely on their own systems, rules and procedures, in so far as they have been positively assessed and do not call into question the decision awarding the grant or breach the principle of equal treatment of applicants or beneficiaries.

‘Pillar-assessment’ means a review by the European Commission on the systems, rules and procedures which participants use for managing EU grants (in particular internal control system, accounting system, external audits, financing of third parties, rules on recovery and exclusion, information on recipients and protection of personal data; see Article 154 EU Financial Regulation 2018/1046).

Participants with a positive pillar assessment may rely on their own systems, rules and procedures, in particular for:

- record-keeping (Article 20): may be done in accordance with internal standards, rules and procedures
- currency conversion for financial statements (Article 21): may be done in accordance with usual accounting practices
- guarantees (Article 23): for public law bodies, prefinancing guarantees are not needed
- certificates (Article 24):
  - certificates on the financial statements (CFS): may be provided by their regular internal or external auditors and in accordance with their internal financial regulations and procedures
  - certificates on usual accounting practices (CoMUC): are not needed if those practices are covered by an ex-ante assessment

and use the following specific rules, for:

- recoveries (Article 22): in case of financial support to third parties, there will be no recovery if the participant has done everything possible to retrieve the undue amounts from the third party receiving the support (including legal proceedings) and non-recovery is not due to an error or negligence on its part
- checks, reviews, audits and investigations by the EU (Article 25): will be conducted taking into account the rules and procedures specifically agreed between them and the framework agreement (if any)
- impact evaluation (Article 26): will be conducted in accordance with the participant’s internal rules and procedures and the framework agreement (if any)
- grant agreement suspension (Article 31): certain costs incurred during grant suspension are eligible (notably, minimum costs necessary for a possible

resumption of the action and costs relating to contracts which were entered into before the pre-information letter was received and which could not reasonably be suspended, reallocated or terminated on legal grounds)

- grant agreement termination (Article 32): the final grant amount and final payment will be calculated taking into account also costs relating to contracts due for execution only after termination takes effect, if the contract was entered into before the pre-information letter was received and could not reasonably be terminated on legal grounds
- liability for damages (Article 33.2): the granting authority must be compensated for damage it sustains as a result of the implementation of the action or because the action was not implemented in full compliance with the Agreement only if the damage is due to an infringement of the participant's internal rules and procedures or due to a violation of third parties' rights by the participant or one of its employees or individual for whom the employees are responsible.

Participants whose pillar assessment covers procurement and granting procedures may also do purchases, subcontracting and financial support to third parties (Article 6.2) in accordance with their internal rules and procedures for purchases, subcontracting and financial support.

Participants whose pillar assessment covers data protection rules may rely on their internal standards, rules and procedures for data protection (Article 15).

The participants may however not rely on provisions which would breach the principle of equal treatment of applicants or beneficiaries or call into question the decision awarding the grant, such as in particular:

- eligibility (Article 6)
- consortium roles and set-up (Articles 7-9)
- security and ethics (Articles 13, 14)
- IPR (including background and results, access rights and rights of use), communication, dissemination and visibility (Articles 16 and 17)
- information obligation (Article 19)
- payment, reporting and amendments (Articles 21, 22 and 39)
- rejections, reductions, suspensions and terminations (Articles 27, 28, 29-32)

If the pillar assessment was subject to remedial measures, reliance on the internal systems, rules and procedures is subject to compliance with those remedial measures.

Participants whose assessment has not yet been updated to cover (the new rules on) data protection may rely on their internal systems, rules and procedures, provided that they ensure that personal data is:

- processed lawfully, fairly and in a transparent manner in relation to the data subject
- collected for specified, explicit and legitimate purposes and not further processed in a manner that is incompatible with those purposes
- adequate, relevant and limited to what is necessary in relation to the purposes for which they are processed
- accurate and, where necessary, kept up to date
- kept in a form which permits identification of data subjects for no longer than is necessary for the purposes for which the data is processed and
- processed in a manner that ensures appropriate security of the personal data.

Participants must inform the coordinator without delay of any changes to the systems, rules and procedures that were part of the pillar assessment. The coordinator must immediately inform the granting authority.

Pillar-assessed participants that have also concluded a framework agreement with the EU, may moreover — under the same conditions as those above (i.e. not call into question the decision awarding the grant or breach the principle of equal treatment of applicants or beneficiaries) — rely on the provisions set out in that framework agreement. ]

## **SECTION 2 RULES FOR CARRYING OUT THE ACTION**

### **ARTICLE 11 — PROPER IMPLEMENTATION OF THE ACTION**

#### **11.1 Obligation to properly implement the action**

The beneficiaries must implement the action as described in Annex 1 and in compliance with the provisions of the Agreement, the call conditions and all legal obligations under applicable EU, international and national law.

#### **11.2 Consequences of non-compliance**

If a beneficiary breaches any of its obligations under this Article, the grant may be reduced (see Article 28).

Such breaches may also lead to other measures described in Chapter 5.

### **ARTICLE 12 — CONFLICT OF INTERESTS**

#### **12.1 Conflict of interests**

The beneficiaries must take all measures to prevent any situation where the impartial and objective implementation of the Agreement could be compromised for reasons involving

family, emotional life, political or national affinity, economic interest or any other direct or indirect interest ('conflict of interests').

They must formally notify the granting authority without delay of any situation constituting or likely to lead to a conflict of interests and immediately take all the necessary steps to rectify this situation.

The granting authority may verify that the measures taken are appropriate and may require additional measures to be taken by a specified deadline.

## **12.2 Consequences of non-compliance**

If a beneficiary breaches any of its obligations under this Article, the grant may be reduced (see Article 28) and the grant or the beneficiary may be terminated (see Article 32).

Such breaches may also lead to other measures described in Chapter 5.

## **ARTICLE 13 — CONFIDENTIALITY AND SECURITY**

### **13.1 Sensitive information**

The parties must keep confidential any data, documents or other material (in any form) that is identified as sensitive in writing ('sensitive information') — during the implementation of the action and for at least until the time-limit set out in the Data Sheet (see Point 6).

If a beneficiary requests, the granting authority may agree to keep such information confidential for a longer period.

Unless otherwise agreed between the parties, they may use sensitive information only to implement the Agreement.

The beneficiaries may disclose sensitive information to their personnel or other participants involved in the action only if they:

- (a) need to know it in order to implement the Agreement and
- (b) are bound by an obligation of confidentiality.

The granting authority may disclose sensitive information to its staff and to other EU institutions and bodies.

It may moreover disclose sensitive information to third parties, if:

- (a) this is necessary to implement the Agreement or safeguard the EU financial interests and
- (b) the recipients of the information are bound by an obligation of confidentiality.

The confidentiality obligations no longer apply if:

- (a) the disclosing party agrees to release the other party
- (b) the information becomes publicly available, without breaching any confidentiality obligation

- (c) the disclosure of the sensitive information is required by EU, international or national law.

Specific confidentiality rules (if any) are set out in Annex 5.

### **13.2 Classified information**

The parties must handle classified information in accordance with the applicable EU, international or national law on classified information (in particular, Decision 2015/444<sup>29</sup> and its implementing rules).

Deliverables which contain classified information must be submitted according to special procedures agreed with the granting authority.

Action tasks involving classified information may be subcontracted only after explicit approval (in writing) from the granting authority.

Classified information may not be released to any third party (including participants involved in the action implementation) without prior explicit written approval from the granting authority.

Specific security rules (if any) are set out in Annex 5.

### **13.3 Consequences of non-compliance**

If a beneficiary breaches any of its obligations under this Article, the grant may be reduced (see Article 28).

Such breaches may also lead to other measures described in Chapter 5.

## **ARTICLE 14 — ETHICS AND VALUES**

### **14.1 Ethics**

The action must be carried out in line with the highest ethical standards and the applicable EU, international and national law on ethical principles.

Specific ethics rules (if any) are set out in Annex 5.

### **14.2 Values**

The beneficiaries must commit to and ensure the respect of basic EU values (such as respect for human dignity, freedom, democracy, equality, the rule of law and human rights, including the rights of minorities).

Specific rules on values (if any) are set out in Annex 5.

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<sup>29</sup> Commission Decision 2015/444/EC, Euratom of 13 March 2015 on the security rules for protecting EU classified information (OJ L 72, 17.3.2015, p. 53).

### **14.3 Consequences of non-compliance**

If a beneficiary breaches any of its obligations under this Article, the grant may be reduced (see Article 28).

Such breaches may also lead to other measures described in Chapter 5.

## **ARTICLE 15 — DATA PROTECTION**

### **15.1 Data processing by the granting authority**

Any personal data under the Agreement will be processed under the responsibility of the data controller of the granting authority in accordance with and for the purposes set out in the Portal Privacy Statement.

For grants where the granting authority is the European Commission, an EU regulatory or executive agency, joint undertaking or other EU body, the processing will be subject to Regulation 2018/1725<sup>30</sup>.

### **15.2 Data processing by the beneficiaries**

The beneficiaries must process personal data under the Agreement in compliance with the applicable EU, international and national law on data protection (in particular, Regulation 2016/679<sup>31</sup>).

They must ensure that personal data is:

- processed lawfully, fairly and in a transparent manner in relation to the data subjects
- collected for specified, explicit and legitimate purposes and not further processed in a manner that is incompatible with those purposes
- adequate, relevant and limited to what is necessary in relation to the purposes for which they are processed
- accurate and, where necessary, kept up to date
- kept in a form which permits identification of data subjects for no longer than is necessary for the purposes for which the data is processed and
- processed in a manner that ensures appropriate security of the data.

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<sup>30</sup> Regulation (EU) 2018/1725 of the European Parliament and of the Council of 23 October 2018 on the protection of natural persons with regard to the processing of personal data by the Union institutions, bodies, offices and agencies and on the free movement of such data, and repealing Regulation (EC) No 45/2001 and Decision No 1247/2002/EC (OJ L 295, 21.11.2018, p. 39).

<sup>31</sup> Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC ('GDPR') (OJ L 119, 4.5.2016, p. 1).

The beneficiaries may grant their personnel access to personal data only if it is strictly necessary for implementing, managing and monitoring the Agreement. The beneficiaries must ensure that the personnel is under a confidentiality obligation.

The beneficiaries must inform the persons whose data are transferred to the granting authority and provide them with the Portal Privacy Statement.

### **15.3 Consequences of non-compliance**

If a beneficiary breaches any of its obligations under this Article, the grant may be reduced (see Article 28).

Such breaches may also lead to other measures described in Chapter 5.

## **ARTICLE 16 — INTELLECTUAL PROPERTY RIGHTS (IPR) — BACKGROUND AND RESULTS — ACCESS RIGHTS AND RIGHTS OF USE**

### **16.1 Background and access rights to background**

The beneficiaries must give each other and the other participants access to the background identified as needed for implementing the action, subject to any specific rules in Annex 5.

‘Background’ means any data, know-how or information — whatever its form or nature (tangible or intangible), including any rights such as intellectual property rights — that is:

- (a) held by the beneficiaries before they acceded to the Agreement and
- (b) needed to implement the action or exploit the results.

If background is subject to rights of a third party, the beneficiary concerned must ensure that it is able to comply with its obligations under the Agreement.

### **16.2 Ownership of results**

The granting authority does not obtain ownership of the results produced under the action.

‘Results’ means any tangible or intangible effect of the action, such as data, know-how or information, whatever its form or nature, whether or not it can be protected, as well as any rights attached to it, including intellectual property rights.

### **16.3 Rights of use of the granting authority on materials, documents and information received for policy, information, communication, dissemination and publicity purposes**

The granting authority has the right to use non-sensitive information relating to the action and materials and documents received from the beneficiaries (notably summaries for publication, deliverables, as well as any other material, such as pictures or audio-visual material, in paper or electronic form) for policy, information, communication, dissemination and publicity purposes — during the action or afterwards.

The right to use the beneficiaries’ materials, documents and information is granted in the form of a royalty-free, non-exclusive and irrevocable licence, which includes the following rights:

- (a) **use for its own purposes** (in particular, making them available to persons working for the granting authority or any other EU service (including institutions, bodies, offices, agencies, etc.) or EU Member State institution or body; copying or reproducing them in whole or in part, in unlimited numbers; and communication through press information services)
- (b) **distribution to the public** (in particular, publication as hard copies and in electronic or digital format, publication on the internet, as a downloadable or non-downloadable file, broadcasting by any channel, public display or presentation, communicating through press information services, or inclusion in widely accessible databases or indexes)
- (c) **editing or redrafting** (including shortening, summarising, inserting other elements (e.g. meta-data, legends, other graphic, visual, audio or text elements), extracting parts (e.g. audio or video files), dividing into parts, use in a compilation)
- (d) **translation**
- (e) **storage** in paper, electronic or other form
- (f) **archiving**, in line with applicable document-management rules
- (g) the right to authorise **third parties** to act on its behalf or sub-license to third parties the modes of use set out in Points (b), (c), (d) and (f), if needed for the information, communication and publicity activity of the granting authority and
- (h) **processing**, analysing, aggregating the materials, documents and information received and **producing derivative works**.

The rights of use are granted for the whole duration of the industrial or intellectual property rights concerned.

If materials or documents are subject to moral rights or third party rights (including intellectual property rights or rights of natural persons on their image and voice), the beneficiaries must ensure that they comply with their obligations under this Agreement (in particular, by obtaining the necessary licences and authorisations from the rights holders concerned).

Where applicable, the granting authority will insert the following information:

“© – [year] – [name of the copyright owner]. All rights reserved. Licensed to the [name of granting authority] under conditions.”

#### **16.4 Specific rules on IPR, results and background**

Specific rules regarding intellectual property rights, results and background (if any) are set out in Annex 5.

#### **16.5 Consequences of non-compliance**

If a beneficiary breaches any of its obligations under this Article, the grant may be reduced (see Article 28).

Such a breach may also lead to other measures described in Chapter 5.

## ARTICLE 17 — COMMUNICATION, DISSEMINATION AND VISIBILITY

### 17.1 Communication — Dissemination — Promoting the action

Unless otherwise agreed with the granting authority, the beneficiaries must promote the action and its results by providing targeted information to multiple audiences (including the media and the public), in accordance with Annex 1 and in a strategic, coherent and effective manner.

Before engaging in a communication or dissemination activity expected to have a major media impact, the beneficiaries must inform the granting authority.

### 17.2 Visibility — European flag and funding statement

Unless otherwise agreed with the granting authority, communication activities of the beneficiaries related to the action (including media relations, conferences, seminars, information material, such as brochures, leaflets, posters, presentations, etc., in electronic form, via traditional or social media, etc.), dissemination activities and any infrastructure, equipment, vehicles, supplies or major result funded by the grant must acknowledge EU support and display the European flag (emblem) and funding statement (translated into local languages, where appropriate):



Funded by the  
European Union



Co-funded by the  
European Union



Co-funded by the  
European Union



Funded by the  
European Union

The emblem must remain distinct and separate and cannot be modified by adding other visual marks, brands or text.

Apart from the emblem, no other visual identity or logo may be used to highlight the EU support.

When displayed in association with other logos (e.g. of beneficiaries or sponsors), the emblem must be displayed at least as prominently and visibly as the other logos.

For the purposes of their obligations under this Article, the beneficiaries may use the emblem without first obtaining approval from the granting authority. This does not, however, give them the right to exclusive use. Moreover, they may not appropriate the emblem or any similar trademark or logo, either by registration or by any other means.

### **17.3 Quality of information — Disclaimer**

Any communication or dissemination activity related to the action must use factually accurate information.

Moreover, it must indicate the following disclaimer (translated into local languages where appropriate):

“Funded by the European Union. Views and opinions expressed are however those of the author(s) only and do not necessarily reflect those of the European Union or [name of the granting authority]. Neither the European Union nor the granting authority can be held responsible for them.”

### **17.4 Specific communication, dissemination and visibility rules**

Specific communication, dissemination and visibility rules (if any) are set out in Annex 5.

### **17.5 Consequences of non-compliance**

If a beneficiary breaches any of its obligations under this Article, the grant may be reduced (see Article 28).

Such breaches may also lead to other measures described in Chapter 5.

## **ARTICLE 18 — SPECIFIC RULES FOR CARRYING OUT THE ACTION**

*[OPTION 1 for programmes without specific rules for carrying out the action (standard): Not applicable]*

*[OPTION 2 for programmes with specific rules for carrying out the action:*

### **18.1 Specific rules for carrying out the action**

Specific rules for implementing the action (if any) are set out in Annex 5.

### **18.2 Consequences of non-compliance**

If a beneficiary breaches any of its obligations under this Article, the grant may be reduced (see Article 28).

Such a breach may also lead to other measures described in Chapter 5.]

## **SECTION 3 GRANT ADMINISTRATION**

### **ARTICLE 19 — GENERAL INFORMATION OBLIGATIONS**

#### **19.1 Information requests**

The beneficiaries must provide — during the action or afterwards and in accordance with Article 7 — any information requested in order to verify eligibility of the costs or contributions declared, proper implementation of the action and compliance with the other obligations under the Agreement.

The information provided must be accurate, precise and complete and in the format requested, including electronic format.

#### **19.2 Participant Register data updates**

The beneficiaries must keep — at all times, during the action or afterwards — their information stored in the Portal Participant Register up to date, in particular, their name, address, legal representatives, legal form and organisation type.

#### **19.3 Information about events and circumstances which impact the action**

The beneficiaries must immediately inform the granting authority (and the other beneficiaries) of any of the following:

- (a) **events** which are likely to affect or delay the implementation of the action or affect the EU's financial interests, in particular:
  - (i) changes in their legal, financial, technical, organisational or ownership situation (including changes linked to one of the exclusion grounds listed in the declaration of honour signed before grant signature)
  - (ii) *[OPTION 1 by default: linked action information: not applicable] [OPTION 2 for programmes with linked actions: [OPTION 1 by default: linked action information: not applicable] [OPTION 2 if selected for the grant: changes regarding the linked action (see Article 3)]]*
- (b) **circumstances** affecting:
  - (i) the decision to award the grant or
  - (ii) compliance with requirements under the Agreement.

#### **19.4 Consequences of non-compliance**

If a beneficiary breaches any of its obligations under this Article, the grant may be reduced (see Article 28).

Such breaches may also lead to other measures described in Chapter 5.

## ARTICLE 20 — RECORD-KEEPING

### 20.1 Keeping records and supporting documents

The beneficiaries must — at least until the time-limit set out in the Data Sheet (see Point 6) — keep records and other supporting documents to prove the proper implementation of the action in line with the accepted standards in the respective field (if any).

In addition, the beneficiaries must — for the same period — keep the following to justify the amounts declared:

- (a) for actual costs: adequate records and supporting documents to prove the costs declared (such as contracts, subcontracts, invoices and accounting records); in addition, the beneficiaries' usual accounting and internal control procedures must enable direct reconciliation between the amounts declared, the amounts recorded in their accounts and the amounts stated in the supporting documents
- (b) for flat-rate costs and contributions (if any): adequate records and supporting documents to prove the eligibility of the costs or contributions to which the flat-rate is applied
- (c) for the following simplified costs and contributions: the beneficiaries do not need to keep specific records on the actual costs incurred, but must keep:
  - (i) for unit costs and contributions (if any): adequate records and supporting documents to prove the number of units declared
  - (ii) for lump sum costs and contributions (if any): adequate records and supporting documents to prove proper implementation of the work as described in Annex 1
  - (iii) for financing not linked to costs (if any): adequate records and supporting documents to prove the achievement of the results or the fulfilment of the conditions as described in Annex 1
- (d) for unit, flat-rate and lump sum costs and contributions according to usual cost accounting practices (if any): the beneficiaries must keep any adequate records and supporting documents to prove that their cost accounting practices have been applied in a consistent manner, based on objective criteria, regardless of the source of funding, and that they comply with the eligibility conditions set out in Articles 6.1 and 6.2.

Moreover, the following is needed for specific budget categories:

- (e) for personnel costs: time worked for the beneficiary under the action must be supported by declarations signed monthly by the person and their supervisor, unless another reliable time-record system is in place; the granting authority may accept alternative evidence supporting the time worked for the action declared, if it considers that it offers an adequate level of assurance
- (f) *[OPTION 1 by default: additional record-keeping rules: not applicable] [OPTION 2 for programmes with additional record-keeping rules: [OPTION 1 by default:*

additional record-keeping rules: not applicable] *[OPTION 2 if selected for the call: for [insert name of budget category]: [insert specific records/requirements]].]*

The records and supporting documents must be made available upon request (see Article 19) or in the context of checks, reviews, audits or investigations (see Article 25).

If there are on-going checks, reviews, audits, investigations, litigation or other pursuits of claims under the Agreement (including the extension of findings; see Article 25), the beneficiaries must keep these records and other supporting documentation until the end of these procedures.

The beneficiaries must keep the original documents. Digital and digitalised documents are considered originals if they are authorised by the applicable national law. The granting authority may accept non-original documents if they offer a comparable level of assurance.

## **20.2 Consequences of non-compliance**

If a beneficiary breaches any of its obligations under this Article, costs or contributions insufficiently substantiated will be ineligible (see Article 6) and will be rejected (see Article 27), and the grant may be reduced (see Article 28).

Such breaches may also lead to other measures described in Chapter 5.

## **ARTICLE 21 — REPORTING**

### **21.1 Continuous reporting**

The beneficiaries must continuously report on the progress of the action (e.g. **deliverables, milestones, outputs/outcomes, critical risks, indicators**, etc; if any), in the Portal Continuous Reporting tool and in accordance with the timing and conditions it sets out (as agreed with the granting authority).

Standardised deliverables (e.g. progress reports not linked to payments, reports on cumulative expenditure, special reports, etc; if any) must be submitted using the templates published on the Portal.

### **21.2 Periodic reporting: Technical reports and financial statements**

In addition, the beneficiaries must provide reports to request payments, in accordance with the schedule and modalities set out in the Data Sheet (see Point 4.2):

- for additional prefinancings (if any): an **additional prefinancing report**
- for interim payments (if any) and the final payment: a **periodic report**.

The prefinancing and periodic reports include a technical and financial part.

The technical part includes an overview of the action implementation. It must be prepared using the template available in the Portal Periodic Reporting tool.

The financial part of the additional prefinancing report includes a statement on the use of the previous prefinancing payment.

The financial part of the periodic report includes:

- the financial statements (individual and consolidated; for all beneficiaries/affiliated entities)
- the explanation on the use of resources (or detailed cost reporting table, if required)
- the certificates on the financial statements (CFS) (if required; see Article 24.2 and Data Sheet, Point 4.3).

The **financial statements** must detail the eligible costs and contributions for each budget category and, for the final payment, also the revenues for the action (see Articles 6 and 22).

All eligible costs and contributions incurred should be declared, even if they exceed the amounts indicated in the estimated budget (see Annex 2). Amounts that are not declared in the individual financial statements will not be taken into account by the granting authority.

By signing the financial statements (directly in the Portal Periodic Reporting tool), the beneficiaries confirm that:

- the information provided is complete, reliable and true
- the costs and contributions declared are eligible (see Article 6)
- the costs and contributions can be substantiated by adequate records and supporting documents (see Article 20) that will be produced upon request (see Article 19) or in the context of checks, reviews, audits and investigations (see Article 25)
- for the final periodic report: all the revenues have been declared (if required; see Article 22).

Beneficiaries will have to submit also the financial statements of their affiliated entities (if any). In case of recoveries (see Article 22), beneficiaries will be held responsible also for the financial statements of their affiliated entities.

### **21.3 Currency for financial statements and conversion into euros**

The financial statements must be drafted in euro.

*[OPTION 1 for programmes with double conversion (standard):* Beneficiaries with general accounts established in a currency other than the euro must convert the costs recorded in their accounts into euro, at the average of the daily exchange rates published in the C series of the *Official Journal of the European Union* (ECB website), calculated over the corresponding reporting period.

If no daily euro exchange rate is published in the *Official Journal* for the currency in question, they must be converted at the average of the monthly accounting exchange rates published on the European Commission website (InforEuro), calculated over the corresponding reporting period.

Beneficiaries with general accounts in euro must convert costs incurred in another currency into euro according to their usual accounting practices.]

## **21.4 Reporting language**

The reporting must be in the language of the Agreement, unless otherwise agreed with the granting authority (see Data Sheet, Point 4.2).

## **21.5 Consequences of non-compliance**

If a report submitted does not comply with this Article, the granting authority may suspend the payment deadline (see Article 29) and apply other measures described in Chapter 5.

If the coordinator breaches its reporting obligations, the granting authority may terminate the grant or the coordinator's participation (see Article 32) or apply other measures described in Chapter 5.

## **ARTICLE 22 — PAYMENTS AND RECOVERIES — CALCULATION OF AMOUNTS DUE**

### **22.1 Payments and payment arrangements**

Payments will be made in accordance with the schedule and modalities set out in the Data Sheet (see Point 4.2).

They will be made in euro to the bank account indicated by the coordinator (see Data Sheet, Point 4.2) and must be distributed without unjustified delay (restrictions may apply to distribution of the initial prefinancing payment; see Data Sheet, Point 4.2).

Payments to this bank account will discharge the granting authority from its payment obligation.

The cost of payment transfers will be borne as follows:

- the granting authority bears the cost of transfers charged by its bank
- the beneficiary bears the cost of transfers charged by its bank
- the party causing a repetition of a transfer bears all costs of the repeated transfer.

Payments by the granting authority will be considered to have been carried out on the date when they are debited to its account.

### **22.2 Recoveries**

Recoveries will be made, if — at the final payment or afterwards — it turns out that the granting authority has paid too much and needs to recover the amounts undue.

### **22.3 Amounts due**

#### **22.3.1 Prefinancing payments**

The aim of the prefinancing is to provide the beneficiaries with a float.

It remains the property of the EU until the final payment.

For **initial prefinancings** (if any), the amount due, schedule and modalities are set out in the Data Sheet (see Point 4.2).

For **additional prefinancings** (if any), the amount due, schedule and modalities are also set out in the Data Sheet (see Point 4.2). However, if the statement on the use of the previous prefinancing payment shows that less than 70% was used, the amount set out in the Data Sheet will be reduced by the difference between the 70% threshold and the amount used.

*[OPTION for programmes with Mutual Insurance Mechanism (MIM):* The contribution to the Mutual Insurance Mechanism will be retained from the prefinancing payments (at the rate and in accordance with the modalities set out in the Data Sheet, see Point 4.2) and transferred to the Mechanism.]

Prefinancing payments (or parts of them) may be offset (without the beneficiaries' consent) against amounts owed by a beneficiary to the granting authority — up to the amount due to that beneficiary.

For grants where the granting authority is the European Commission or an EU executive agency, offsetting may also be done against amounts owed to other Commission services or executive agencies.

Payments will not be made if the payment deadline or payments are suspended (see Articles 29 and 30).

### **22.3.2 Amount due at beneficiary termination — Recovery**

Not applicable

### **22.3.3 Interim payments**

Interim payments reimburse the eligible costs and contributions claimed for the implementation of the action during the reporting periods (if any).

Interim payments (if any) will be made in accordance with the schedule and modalities set out in the Data Sheet (see Point 4.2).

Payment is subject to the approval of the periodic report. Its approval does not imply recognition of compliance, authenticity, completeness or correctness of its content.

The **interim payment** will be calculated by the granting authority in the following steps:

Step 1 — Calculation of the total accepted EU contribution

Step 2 — Limit to the interim payment ceiling

#### Step 1 — Calculation of the total accepted EU contribution

The granting authority will calculate the 'accepted EU contribution' for the action for the reporting period, by first calculating the 'maximum EU contribution to costs' (applying the funding rate to the accepted costs of each beneficiary), taking into account requests for a lower contribution to costs, and CFS threshold cappings (if any; see Article 24.5) and adding the contributions (accepted unit, flat-rate or lump sum contributions and financing not linked to costs, if any).

The resulting amount is the ‘total accepted EU contribution’.

*[OPTION for programmes with early prefinancing clearing (before reaching the interim payment ceiling):* If prefinancing clearing before reaching the interim payment ceiling is provided for in the Data Sheet (see Point 4.2), the total accepted EU contribution will be lowered to clear the amount of prefinancing payments previously made.]

#### Step 2 — Limit to the interim payment ceiling

The resulting amount is then capped to ensure that the total amount of prefinancing and interim payments (if any) does not exceed the interim payment ceiling set out in the Data Sheet (see Point 4.2).

Interim payments (or parts of them) may be offset (without the beneficiaries’ consent) against amounts owed by a beneficiary to the granting authority — up to the amount due to that beneficiary.

For grants where the granting authority is the European Commission or an EU executive agency, offsetting may also be done against amounts owed to other Commission services or executive agencies.

Payments will not be made if the payment deadline or payments are suspended (see Articles 29 and 30).

#### **22.3.4 Final payment — Final grant amount — Revenues and Profit — Recovery**

The final payment (payment of the balance) reimburses the remaining part of the eligible costs and contributions claimed for the implementation of the action (if any).

The final payment will be made in accordance with the schedule and modalities set out in the Data Sheet (see Point 4.2).

Payment is subject to the approval of the final periodic report. Its approval does not imply recognition of compliance, authenticity, completeness or correctness of its content.

The **final grant amount for the action** will be calculated in the following steps:

Step 1 — Calculation of the total accepted EU contribution

Step 2 — Limit to the maximum grant amount

Step 3 — Reduction due to the no-profit rule

#### Step 1 — Calculation of the total accepted EU contribution

The granting authority will first calculate the ‘accepted EU contribution’ for the action for all reporting periods, by calculating the ‘maximum EU contribution to costs’ (applying the funding rate to the total accepted costs of each beneficiary), taking into account requests for a lower contribution to costs, CFS threshold cappings (if any; see Article 24.5) and adding the contributions (accepted unit, flat-rate or lump sum contributions and financing not linked to costs, if any).

After that, the granting authority will take into account grant reductions (if any). The resulting amount is the ‘total accepted EU contribution’.

### Step 2 — Limit to the maximum grant amount

If the resulting amount is higher than the maximum grant amount set out in Article 5.2, it will be limited to the latter.

### Step 3 — Reduction due to the no-profit rule

If the no-profit rule is provided for in the Data Sheet (see Point 4.2), the grant must not produce a profit (i.e. surplus of the amount obtained following Step 2 plus the action’s revenues, over the eligible costs and contributions approved by the granting authority).

‘Revenue’ is all income generated by the action, during its duration (see Article 4), for beneficiaries that are profit legal entities [*OPTION if selected for the call: (— with the exception of amounts dedicated to the building up of reserves, which are not considered as revenues)*].

If there is a profit, it will be deducted in proportion to the final rate of reimbursement of the eligible costs approved by the granting authority (as compared to the amount calculated following Steps 1 and 2 minus the contributions).

The **balance** (final payment) is then calculated by deducting the total amount of prefinancing and interim payments already made (if any), from the final grant amount:

$$\begin{aligned} & \{ \text{final grant amount} \\ & \text{minus} \\ & \{ \text{prefinancing and interim payments made (if any)} \} \}. \end{aligned}$$

If the balance is **positive**, it will be **paid** to the coordinator.

*[OPTION for programmes with Mutual Insurance Mechanism (MIM):* The amount retained for the Mutual Insurance Mechanism (see above) will be released and **paid** to the coordinator (in accordance with the rules governing the Mechanism).]

The final payment (or part of it) may be offset (without the beneficiaries’ consent) against amounts owed by a beneficiary to the granting authority — up to the amount due to that beneficiary.

For grants where the granting authority is the European Commission or an EU executive agency, offsetting may also be done against amounts owed to other Commission services or executive agencies.

Payments will not be made if the payment deadline or payments are suspended (see Articles 29 and 30).

If [*OPTION for programmes with Mutual Insurance Mechanism (MIM):* — despite the release of the Mutual Insurance Mechanism contribution —] the balance is **negative**, it will be **recovered** in accordance with the following procedure:

The granting authority will send a **pre-information letter** to the coordinator:

- formally notifying the intention to recover, the final grant amount, the amount to be recovered and the reasons why
- requesting observations within 30 days of receiving notification.

If no observations are submitted (or the granting authority decides to pursue recovery despite the observations it has received), it will confirm the amount to be recovered (**confirmation letter**), together with a **debit note** with the terms and date for payment.

If payment is not made by the date specified in the debit note, the granting authority will **enforce recovery** in accordance with Article 22.4.

### **22.3.5 Audit implementation after final payment — Revised final grant amount — Recovery**

If — after the final payment (in particular, after checks, reviews, audits or investigations; see Article 25) — the granting authority rejects costs or contributions (see Article 27) or reduces the grant (see Article 28), it will calculate the **revised final grant amount** for the beneficiary concerned.

The **beneficiary revised final grant amount** will be calculated in the following step:

Step 1 — Calculation of the revised total accepted EU contribution

#### Step 1 — Calculation of the revised total accepted EU contribution

The granting authority will first calculate the ‘revised accepted EU contribution’ for the beneficiary, by calculating the ‘revised accepted costs’ and ‘revised accepted contributions’.

After that, it will take into account grant reductions (if any). The resulting ‘revised total accepted EU contribution’ is the beneficiary revised final grant amount.

If the revised final grant amount is lower than the beneficiary’s final grant amount, it will be **recovered** in accordance with the following procedure:

The granting authority will send a **pre-information letter** to the beneficiary concerned:

- formally notifying the intention to recover, the amount to be recovered and the reasons why and
- requesting observations within 30 days of receiving notification.

If no observations are submitted (or the granting authority decides to pursue recovery despite the observations it has received), it will confirm the amount to be recovered (**confirmation letter**), together with a **debit note** with the terms and the date for payment.

Recoveries against affiliated entities (if any) will be handled through their beneficiaries.

If payment is not made by the date specified in the debit note, the granting authority will **enforce recovery** in accordance with Article 22.4.

## 22.4 Enforced recovery

If payment is not made by the date specified in the debit note, the amount due will be recovered:

- (a) by offsetting the amount — without the coordinator or beneficiary’s consent — against any amounts owed to the coordinator or beneficiary by the granting authority.

In exceptional circumstances, to safeguard the EU financial interests, the amount may be offset before the payment date specified in the debit note.

For grants where the granting authority is the European Commission or an EU executive agency, debts may also be offset against amounts owed by other Commission services or executive agencies.

- (b) *[OPTION 1 for programmes with prefinancing guarantees: by drawing on the financial guarantee(s) (if any)]**[OPTION 2 for programmes without prefinancing guarantees: financial guarantee(s): not applicable]*
- (c) joint and several liability of beneficiaries: not applicable
- (d) joint and several liability of affiliated entities: not applicable or
- (e) by taking legal action (see Article 43) or, provided that the granting authority is the European Commission or an EU executive agency, by adopting an enforceable decision under Article 299 of the Treaty on the Functioning of the EU (TFEU) and Article 100(2) of EU Financial Regulation 2018/1046.

*[OPTION for programmes with Mutual Insurance Mechanism (MIM):* If the Mutual Insurance Mechanism was called on by the granting authority to intervene, recovery will be continued in the name of the Mutual Insurance Mechanism. If two debit notes were sent, the second one (in the name of the Mutual Insurance Mechanism) will be considered to replace the first one (in the name of the granting authority). Where the MIM intervened, offsetting, enforceable decisions or any other of the above-mentioned forms of enforced recovery may be used *mutatis mutandis*.]

The amount to be recovered will be increased by **late-payment interest** at the rate set out in Article 22.5, from the day following the payment date in the debit note, up to and including the date the full payment is received.

Partial payments will be first credited against expenses, charges and late-payment interest and then against the principal.

Bank charges incurred in the recovery process will be borne by the beneficiary, unless Directive 2015/2366<sup>32</sup> applies.

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<sup>32</sup> Directive (EU) 2015/2366 of the European Parliament and of the Council of 25 November 2015 on payment services in the internal market, amending Directives 2002/65/EC, 2009/110/EC and 2013/36/EU and Regulation (EU) No 1093/2010, and repealing Directive 2007/64/EC (OJ L 337, 23.12.2015, p. 35).

For grants where the granting authority is an EU executive agency, enforced recovery by offsetting or enforceable decision will be done by the services of the European Commission (see also Article 43).

## 22.5 Consequences of non-compliance

**22.5.1** If the granting authority does not pay within the payment deadlines (see above), the beneficiaries are entitled to **late-payment interest** at the reference rate applied by the European Central Bank (ECB) for its main refinancing operations in euros, plus the percentage specified in the Data Sheet (Point 4.2). The ECB reference rate to be used is the rate in force on the first day of the month in which the payment deadline expires, as published in the C series of the *Official Journal of the European Union*.

If the late-payment interest is lower than or equal to EUR 200, it will be paid to the coordinator only on request submitted within two months of receiving the late payment.

Late-payment interest is not due if all beneficiaries are EU Member States (including regional and local government authorities or other public bodies acting on behalf of a Member State for the purpose of this Agreement).

If payments or the payment deadline are suspended (see Articles 29 and 30), payment will not be considered as late.

Late-payment interest covers the period running from the day following the due date for payment (see above), up to and including the date of payment.

Late-payment interest is not considered for the purposes of calculating the final grant amount.

**22.5.2** If the coordinator breaches any of its obligations under this Article, the grant may be reduced (see Article 29) and the grant or the coordinator may be terminated (see Article 32).

Such breaches may also lead to other measures described in Chapter 5.

## ARTICLE 23 — GUARANTEES

*[OPTION 1 for programmes without prefinancing guarantees: Not applicable]*

*[OPTION 2 for programmes with prefinancing guarantees:*

### 23.1 Prefinancing guarantee

If required by the granting authority (see Data Sheet, Point 4.2), the beneficiaries must provide (one or more) prefinancing guarantee(s) in accordance with the timing and the amounts set out in the Data Sheet.

The coordinator must submit them to the granting authority in due time before the prefinancing they are linked to.

The guarantees must be drawn up using the template published on the Portal and fulfil the following conditions:

- (a) be provided by a bank or approved financial institution established in the EU or — if requested by the coordinator and accepted by the granting authority — by a third party

or a bank or financial institution established outside the EU offering equivalent security

- (b) the guarantor stands as first-call guarantor and does not require the granting authority to first have recourse against the principal debtor (i.e. the beneficiary concerned) and
- (c) remain explicitly in force until the final payment and, if the final payment takes the form of a recovery, until five months after the debit note is notified to a beneficiary.

They will be released within the following month.

## 23.2 Consequences of non-compliance

If the beneficiaries breach their obligation to provide the prefinancing guarantee, the prefinancing will not be paid.

Such breaches may also lead to other measures described in Chapter 5. ]

## ARTICLE 24 — CERTIFICATES

*[OPTION 1 for programmes without certificates:*

Not applicable]

*[OPTION 2 for programmes with certificates:*

### 24.1 Operational verification report (OVR)

*[OPTION 1 by default:* Not applicable]

*[OPTION 2 for programmes with operational verification reports (instead of reviews):* If required by the granting authority (see Data Sheet, Point 4.3), the beneficiaries must provide a certified operational verification report, in accordance with the schedule, threshold and conditions set out in the Data Sheet.

The coordinator must submit it as part of the periodic report (see Article 21).

The report must be drawn up using the template published on the Portal and fulfil the following conditions:

- (a) be provided by an independent third party approved by the granting authority
- (b) the verification must be carried out according to a methodology approved by the granting authority and the highest professional standards to ensure that the action was actually done and implemented in accordance with the conditions set out in the Agreement.

The report will not affect the granting authority's right to carry out its own checks, reviews or audits, nor preclude the European Court of Auditors (ECA), the European Public Prosecutor's Office (EPPO) or the European Anti-Fraud Office (OLAF) from using their prerogatives for audits and investigations under the Agreement (see Article 25). ]

## 24.2 Certificate on the financial statements (CFS)

*[OPTION 1 for programmes without CFS: Not applicable]*

*[OPTION 2 for programmes with CFS: If required by the granting authority (see Data Sheet, Point 4.3), the beneficiaries must provide certificates on their financial statements (CFS), in accordance with the schedule, threshold and conditions set out in the Data Sheet.*

The coordinator must submit them as part of the periodic report (see Article 21).

The certificates must be drawn up using the template published on the Portal, cover the costs declared on the basis of actual costs and costs according to usual cost accounting practices (if any), and fulfil the following conditions:

- (a) be provided by a qualified approved external auditor which is independent and complies with Directive 2006/43/EC (or for public bodies: by a competent independent public officer)
- (b) the verification must be carried out according to the highest professional standards to ensure that the financial statements comply with the provisions under the Agreement and that the costs declared are eligible.

The certificates will not affect the granting authority's right to carry out its own checks, reviews or audits, nor preclude the European Court of Auditors (ECA), the European Public Prosecutor's Office (EPPO) or the European Anti-Fraud Office (OLAF) from using their prerogatives for audits and investigations under the Agreement (see Article 25).

If the costs (or a part of them) were already audited by the granting authority, these costs do not need to be covered by the certificate and will not be counted for calculating the threshold (if any). ]

## 24.3 Certificate on the compliance of usual cost accounting practices (CoMUC)

*[OPTION 1 by default: Not applicable]*

*[OPTION 2 for programmes with costs according to usual accounting practices: Beneficiaries which use unit, flat rate or lump sum costs or contributions according to usual costs accounting practices (if any) may submit to the granting authority, for approval, a certificate on the methodology stating that their usual cost accounting practices comply with the eligibility conditions under the Agreement.*

The certificate must be drawn up using the template published on the Portal and fulfil the following conditions:

- (a) be provided by a qualified approved external auditor which is independent and complies with Directive 2006/43/EC<sup>33</sup> (or for public bodies: by a competent independent public officer)
- (b) the verification must be is carried out according to the highest professional standards to ensure that the methodology for declaring costs according to usual accounting practices complies with the provisions under the Agreement.

If the certificate is approved, costs declared in line with this methodology will not be challenged subsequently, unless the beneficiary concealed information for the purpose of the approval.]

#### 24.4 Systems and process audit (SPA)

*[OPTION 1 by default: Not applicable]*

*[OPTION 2 for programmes with SPA: Beneficiaries which:*

- use unit, flat rate or lump sum costs or contributions according to documented (i.e. formally approved and in writing) usual costs accounting practices (if any) or
- have formalised documentation on the systems and processes for calculating their costs and contributions (i.e. formally approved and in writing), have participated in at least [...] actions under [insert name of previous programme, e.g. Horizon 2020] and participate in at least [...] ongoing actions under [insert name of current programme, e.g. Horizon Europe]

may apply to the granting authority for a systems and process audit (SPA).

This audit will be carried out as follows:

Step 1 — Application by the beneficiary.

Step 2 — If the application is accepted, the granting authority will carry out the systems and process audit, complemented by an audit of transactions (on a sample of the beneficiary's [insert name of current programme, e.g. Horizon Europe] financial statements).

Step 3 — The audit result will take the form of a risk assessment classification for the beneficiary: low, medium or high.

Low-risk beneficiaries will benefit from less (or less in-depth) ex-post audits (see Article 25) and a higher threshold for submitting certificates on the financial statements (CFS; see Articles 21 and 24.2 and Data Sheet, Point 4.3). ]

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<sup>33</sup> Directive 2006/43/EC of the European Parliament and of the Council of 17 May 2006 on statutory audits of annual accounts and consolidated accounts or similar national regulations (OJ L 157, 9.6.2006, p. 87).

## 24.5 Consequences of non-compliance

If a beneficiary does not submit a certificate on the financial statements (CFS) or the certificate is rejected, the accepted EU contribution to costs will be capped to reflect the CFS threshold.

If a beneficiary breaches any of its other obligations under this Article, the granting authority may apply the measures described in Chapter 5. ]

## ARTICLE 25 — CHECKS, REVIEWS, AUDITS AND INVESTIGATIONS — EXTENSION OF FINDINGS

### 25.1 Granting authority checks, reviews and audits

#### 25.1.1 Internal checks

The granting authority may — during the action or afterwards — check the proper implementation of the action and compliance with the obligations under the Agreement, including assessing costs and contributions, deliverables and reports.

#### 25.1.2 Project reviews

The granting authority may carry out reviews on the proper implementation of the action and compliance with the obligations under the Agreement (general project reviews or specific issues reviews).

Such project reviews may be started during the implementation of the action and until the time-limit set out in the Data Sheet (see Point 6). They will be formally notified to the coordinator or beneficiary concerned and will be considered to start on the date of the notification.

If needed, the granting authority may be assisted by independent, outside experts. If it uses outside experts, the coordinator or beneficiary concerned will be informed and have the right to object on grounds of commercial confidentiality or conflict of interest.

The coordinator or beneficiary concerned must cooperate diligently and provide — within the deadline requested — any information and data in addition to deliverables and reports already submitted (including information on the use of resources). The granting authority may request beneficiaries to provide such information to it directly. Sensitive information and documents will be treated in accordance with Article 13.

The coordinator or beneficiary concerned may be requested to participate in meetings, including with the outside experts.

For **on-the-spot** visits, the beneficiary concerned must allow access to sites and premises (including to the outside experts) and must ensure that information requested is readily available.

Information provided must be accurate, precise and complete and in the format requested, including electronic format.

On the basis of the review findings, a **project review report** will be drawn up.

The granting authority will formally notify the project review report to the coordinator or beneficiary concerned, which has 30 days from receiving notification to make observations.

Project reviews (including project review reports) will be in the language of the Agreement.

### **25.1.3 Audits**

The granting authority may carry out audits on the proper implementation of the action and compliance with the obligations under the Agreement.

Such audits may be started during the implementation of the action and until the time-limit set out in the Data Sheet (see Point 6). They will be formally notified to the beneficiary concerned and will be considered to start on the date of the notification.

The granting authority may use its own audit service, delegate audits to a centralised service or use external audit firms. If it uses an external firm, the beneficiary concerned will be informed and have the right to object on grounds of commercial confidentiality or conflict of interest.

The beneficiary concerned must cooperate diligently and provide — within the deadline requested — any information (including complete accounts, individual salary statements or other personal data) to verify compliance with the Agreement. Sensitive information and documents will be treated in accordance with Article 13.

For **on-the-spot** visits, the beneficiary concerned must allow access to sites and premises (including for the external audit firm) and must ensure that information requested is readily available.

Information provided must be accurate, precise and complete and in the format requested, including electronic format.

On the basis of the audit findings, a **draft audit report** will be drawn up.

The auditors will formally notify the draft audit report to the beneficiary concerned, which has 30 days from receiving notification to make observations (contradictory audit procedure).

The **final audit report** will take into account observations by the beneficiary concerned and will be formally notified to them.

Audits (including audit reports) will be in the language of the Agreement.

### **25.2 European Commission checks, reviews and audits in grants of other granting authorities**

Where the granting authority is not the European Commission, the latter has the same rights of checks, reviews and audits as the granting authority.

### **25.3 Access to records for assessing simplified forms of funding**

The beneficiaries must give the European Commission access to their statutory records for the periodic assessment of simplified forms of funding which are used in EU programmes.

## **25.4 OLAF, EPPO and ECA audits and investigations**

The following bodies may also carry out checks, reviews, audits and investigations — during the action or afterwards:

- the European Anti-Fraud Office (OLAF) under Regulations No 883/2013<sup>34</sup> and No 2185/96<sup>35</sup>
- the European Public Prosecutor's Office (EPPO) under Regulation 2017/1939
- the European Court of Auditors (ECA) under Article 287 of the Treaty on the Functioning of the EU (TFEU) and Article 257 of EU Financial Regulation 2018/1046.

If requested by these bodies, the beneficiary concerned must provide full, accurate and complete information in the format requested (including complete accounts, individual salary statements or other personal data, including in electronic format) and allow access to sites and premises for on-the-spot visits or inspections — as provided for under these Regulations.

To this end, the beneficiary concerned must keep all relevant information relating to the action, at least until the time-limit set out in the Data Sheet (Point 6) and, in any case, until any ongoing checks, reviews, audits, investigations, litigation or other pursuits of claims have been concluded.

## **25.5 Consequences of checks, reviews, audits and investigations — Extension of findings**

### **25.5.1 Consequences of checks, reviews, audits and investigations in this grant**

Findings in checks, reviews, audits or investigations carried out in the context of this grant may lead to rejections (see Article 27), grant reduction (see Article 28) or other measures described in Chapter 5.

Rejections or grant reductions after the final payment will lead to a revised final grant amount (see Article 22).

Findings in checks, reviews, audits or investigations during the action implementation may lead to a request for amendment (see Article 39), to change the description of the action set out in Annex 1.

Checks, reviews, audits or investigations that find systemic or recurrent errors, irregularities, fraud or breach of obligations in any EU grant may also lead to consequences in other EU grants awarded under similar conditions ('extension to other grants').

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<sup>34</sup> Regulation (EU, Euratom) No 883/2013 of the European Parliament and of the Council of 11 September 2013 concerning investigations conducted by the European Anti-Fraud Office (OLAF) and repealing Regulation (EC) No 1073/1999 of the European Parliament and of the Council and Council Regulation (Euratom) No 1074/1999 (OJ L 248, 18/09/2013, p. 1).

<sup>35</sup> Council Regulation (Euratom, EC) No 2185/1996 of 11 November 1996 concerning on-the-spot checks and inspections carried out by the Commission in order to protect the European Communities' financial interests against fraud and other irregularities (OJ L 292, 15/11/1996, p. 2).

Moreover, findings arising from an OLAF or EPPO investigation may lead to criminal prosecution under national law.

### 25.5.2 Extension from other grants

Findings of checks, reviews, audits or investigations in other grants may be extended to this grant, if:

- (a) the beneficiary concerned is found, in other EU grants awarded under similar conditions, to have committed systemic or recurrent errors, irregularities, fraud or breach of obligations that have a material impact on this grant and
- (b) those findings are formally notified to the beneficiary concerned — together with the list of grants affected by the findings — within the time-limit for audits set out in the Data Sheet (see Point 6).

The granting authority will formally notify the beneficiary concerned of the intention to extend the findings and the list of grants affected.

If the extension concerns **rejections of costs or contributions**: the notification will include:

- (a) an invitation to submit observations on the list of grants affected by the findings
- (b) the request to submit revised financial statements for all grants affected
- (c) the correction rate for extrapolation, established on the basis of the systemic or recurrent errors, to calculate the amounts to be rejected, if the beneficiary concerned:
  - (i) considers that the submission of revised financial statements is not possible or practicable or
  - (ii) does not submit revised financial statements.

If the extension concerns **grant reductions**: the notification will include:

- (a) an invitation to submit observations on the list of grants affected by the findings and
- (b) the **correction rate for extrapolation**, established on the basis of the systemic or recurrent errors and the principle of proportionality.

The beneficiary concerned has **60 days** from receiving notification to submit observations, revised financial statements or to propose a duly substantiated **alternative correction method/rate**.

On the basis of this, the granting authority will analyse the impact and decide on the implementation (i.e. start rejection or grant reduction procedures, either on the basis of the revised financial statements or the announced/alternative method/rate or a mix of those; see Articles 27 and 28).

## **25.6 Consequences of non-compliance**

If a beneficiary breaches any of its obligations under this Article, costs or contributions insufficiently substantiated will be ineligible (see Article 6) and will be rejected (see Article 27), and the grant may be reduced (see Article 28).

Such breaches may also lead to other measures described in Chapter 5.

## **ARTICLE 26 — IMPACT EVALUATIONS**

### **26.1 Impact evaluation**

The granting authority may carry out impact evaluations of the action, measured against the objectives and indicators of the EU programme funding the grant.

Such evaluations may be started during implementation of the action and until the time-limit set out in the Data Sheet (see Point 6). They will be formally notified to the coordinator or beneficiaries and will be considered to start on the date of the notification.

If needed, the granting authority may be assisted by independent outside experts.

The coordinator or beneficiaries must provide any information relevant to evaluate the impact of the action, including information in electronic format.

### **26.2 Consequences of non-compliance**

If a beneficiary breaches any of its obligations under this Article, the granting authority may apply the measures described in Chapter 5.

## **CHAPTER 5 CONSEQUENCES OF NON-COMPLIANCE**

### **SECTION 1 REJECTIONS AND GRANT REDUCTION**

## **ARTICLE 27 — REJECTION OF COSTS AND CONTRIBUTIONS**

### **27.1 Conditions**

The granting authority will — at interim payment, final payment or afterwards — reject any costs or contributions which are ineligible (see Article 6), in particular following checks, reviews, audits or investigations (see Article 25).

The rejection may also be based on the extension of findings from other grants to this grant (see Article 25).

Ineligible costs or contributions will be rejected.

### **27.2 Procedure**

If the rejection does not lead to a recovery, the granting authority will formally notify the coordinator or beneficiary concerned of the rejection, the amounts and the reasons why. The coordinator or beneficiary concerned may — within 30 days of receiving notification — submit observations if it disagrees with the rejection (payment review procedure).

If the rejection leads to a recovery, the granting authority will follow the contradictory procedure with pre-information letter set out in Article 22.

### **27.3 Effects**

If the granting authority rejects costs or contributions, it will deduct them from the costs or contributions declared and then calculate the amount due (and, if needed, make a recovery; see Article 22).

## **ARTICLE 28 — GRANT REDUCTION**

### **28.1 Conditions**

The granting authority may — at final payment or afterwards — reduce the grant for a beneficiary, if:

- (a) the beneficiary (or a person having powers of representation, decision-making or control, or person essential for the award/implementation of the grant) has committed:
  - (i) substantial errors, irregularities or fraud or
  - (ii) serious breach of obligations under this Agreement or during its award (including improper implementation of the action, non-compliance with the call conditions, submission of false information, failure to provide required information, breach of ethics or security rules (if applicable), etc.), or
- (b) the beneficiary (or a person having powers of representation, decision-making or control, or person essential for the award/implementation of the grant) has committed — in other EU grants awarded to it under similar conditions — systemic or recurrent errors, irregularities, fraud or serious breach of obligations that have a material impact on this grant (extension of findings; see Article 25.5).

The amount of the reduction will be calculated for each beneficiary concerned and proportionate to the seriousness and the duration of the errors, irregularities or fraud or breach of obligations, by applying an individual reduction rate to their accepted EU contribution.

### **28.2 Procedure**

If the grant reduction does not lead to a recovery, the granting authority will formally notify the coordinator or beneficiary concerned of the reduction, the amount to be reduced and the reasons why. The coordinator or beneficiary concerned may — within 30 days of receiving notification — submit observations if it disagrees with the reduction (payment review procedure).

If the grant reduction leads to a recovery, the granting authority will follow the contradictory procedure with pre-information letter set out in Article 22.

### **28.3 Effects**

If the granting authority reduces the grant, it will deduct the reduction and then calculate the amount due (and, if needed, make a recovery; see Article 22).

## **SECTION 2 — SUSPENSION AND TERMINATION**

### **ARTICLE 29 — PAYMENT DEADLINE SUSPENSION**

#### **29.1 Conditions**

The granting authority may — at any moment — suspend the payment deadline if a payment cannot be processed because:

- (a) the required report (see Article 21) has not been submitted or is not complete or additional information is needed
- (b) there are doubts about the amount to be paid (e.g. ongoing extension procedure, queries about eligibility, need for a grant reduction, etc.) and additional checks, reviews, audits or investigations are necessary, or
- (c) there are other issues affecting the EU financial interests.

#### **29.2 Procedure**

The granting authority will formally notify the coordinator of the suspension and the reasons why.

The suspension will **take effect** the day the notification is sent.

If the conditions for suspending the payment deadline are no longer met, the suspension will be **lifted** — and the remaining time to pay (see Data Sheet, Point 4.2) will resume.

If the suspension exceeds two months, the coordinator may request the granting authority to confirm if the suspension will continue.

If the payment deadline has been suspended due to the non-compliance of the report and the revised report is not submitted (or was submitted but is also rejected), the granting authority may also terminate the grant or the participation of the coordinator (see Article 32).

### **ARTICLE 30 — PAYMENT SUSPENSION**

#### **30.1 Conditions**

The granting authority may — at any moment — suspend payments, in whole or in part for one or more beneficiaries, if:

- (a) a beneficiary (or a person having powers of representation, decision-making or control, or person essential for the award/implementation of the grant) has committed or is suspected of having committed:
  - (i) substantial errors, irregularities or fraud or
  - (ii) serious breach of obligations under this Agreement or during its award (including improper implementation of the action, non-compliance with the call conditions, submission of false information, failure to provide required information, breach of ethics or security rules (if applicable), etc.), or

- (b) a beneficiary (or a person having powers of representation, decision-making or control, or person essential for the award/implementation of the grant) has committed — in other EU grants awarded to it under similar conditions — systemic or recurrent errors, irregularities, fraud or serious breach of obligations that have a material impact on this grant (extension of findings; see Article 25.5).

If payments are suspended for one or more beneficiaries, the granting authority will make partial payment(s) for the part(s) not suspended. If suspension concerns the final payment, the payment (or recovery) of the remaining amount after suspension is lifted will be considered to be the payment that closes the action.

## 30.2 Procedure

Before suspending payments, the granting authority will send a **pre-information letter** to the beneficiary concerned:

- formally notifying the intention to suspend payments and the reasons why and
- requesting observations within 30 days of receiving notification.

If the granting authority does not receive observations or decides to pursue the procedure despite the observations it has received, it will confirm the suspension (**confirmation letter**). Otherwise, it will formally notify that the procedure is discontinued.

At the end of the suspension procedure, the granting authority will also inform the coordinator.

The suspension will **take effect** the day after the confirmation notification is sent.

If the conditions for resuming payments are met, the suspension will be **lifted**. The granting authority will formally notify the beneficiary concerned (and the coordinator) and set the suspension end date.

During the suspension, no prefinancing will be paid to the beneficiaries concerned. For interim payments, the periodic reports for all reporting periods except the last one (see Article 21) must not contain any financial statements from the beneficiary concerned (or its affiliated entities). The coordinator must include them in the next periodic report after the suspension is lifted or — if suspension is not lifted before the end of the action — in the last periodic report.

## ARTICLE 31 — GRANT AGREEMENT SUSPENSION

### 31.1 Consortium-requested GA suspension

#### 31.1.1 Conditions and procedure

The beneficiaries may request the suspension of the grant or any part of it, if exceptional circumstances — in particular *force majeure* (see Article 35) — make implementation impossible or excessively difficult.

The coordinator must submit a request for **amendment** (see Article 39), with:

- the reasons why

- the date the suspension takes effect; this date may be before the date of the submission of the amendment request and
- the expected date of resumption.

The suspension will **take effect** on the day specified in the amendment.

Once circumstances allow for implementation to resume, the coordinator must immediately request another **amendment** of the Agreement to set the suspension end date, the resumption date (one day after suspension end date), extend the duration and make other changes necessary to adapt the action to the new situation (see Article 39) — unless the grant has been terminated (see Article 32). The suspension will be **lifted** with effect from the suspension end date set out in the amendment. This date may be before the date of the submission of the amendment request.

During the suspension, no prefinancing will be paid. Costs incurred or contributions for activities implemented during grant suspension are not eligible (see Article 6.3).

## 31.2 EU-initiated GA suspension

### 31.2.1 Conditions

The granting authority may suspend the grant or any part of it, if:

- (a) a beneficiary (or a person having powers of representation, decision-making or control, or person essential for the award/implementation of the grant) has committed or is suspected of having committed:
  - (i) substantial errors, irregularities or fraud or
  - (ii) serious breach of obligations under this Agreement or during its award (including improper implementation of the action, non-compliance with the call conditions, submission of false information, failure to provide required information, breach of ethics or security rules (if applicable), etc.), or
- (b) a beneficiary (or a person having powers of representation, decision-making or control, or person essential for the award/implementation of the grant) has committed — in other EU grants awarded to it under similar conditions — systemic or recurrent errors, irregularities, fraud or serious breach of obligations that have a material impact on this grant (extension of findings; see Article 25.5)
- (c) other:
  - (i) *[OPTION 1 by default: linked action issues: not applicable] [OPTION 2 for programmes with linked actions: [OPTION 1 by default: linked action issues: not applicable] [OPTION 2 if selected for the grant: the linked action (see Article 3) has not started as specified in Annex 1, has been suspended or can no longer contribute, and this impacts the implementation of the action under this Agreement]]*

- (ii) *[OPTION 1 by default: additional GA suspension grounds: not applicable]*  
*[OPTION 2 for programmes with additional GA suspension grounds:*  
*[additional GA suspension grounds: insert other grounds]]*.

### 31.2.2 Procedure

Before suspending the grant, the granting authority will send a **pre-information letter** to the coordinator:

- formally notifying the intention to suspend the grant and the reasons why and
- requesting observations within 30 days of receiving notification.

If the granting authority does not receive observations or decides to pursue the procedure despite the observations it has received, it will confirm the suspension (**confirmation letter**). Otherwise, it will formally notify that the procedure is discontinued.

The suspension will **take effect** the day after the confirmation notification is sent (or on a later date specified in the notification).

Once the conditions for resuming implementation of the action are met, the granting authority will formally notify the coordinator a **lifting of suspension letter**, in which it will set the suspension end date and invite the coordinator to request an amendment of the Agreement to set the resumption date (one day after suspension end date), extend the duration and make other changes necessary to adapt the action to the new situation (see Article 39) — unless the grant has been terminated (see Article 32). The suspension will be **lifted** with effect from the suspension end date set out in the lifting of suspension letter. This date may be before the date on which the letter is sent.

During the suspension, no prefinancing will be paid. Costs incurred or contributions for activities implemented during suspension are not eligible (see Article 6.3).

The beneficiaries may not claim damages due to suspension by the granting authority (see Article 33).

Grant suspension does not affect the granting authority's right to terminate the grant or a beneficiary (see Article 32) or reduce the grant (see Article 28).

## ARTICLE 32 — GRANT AGREEMENT OR BENEFICIARY TERMINATION

### 32.1 Consortium-requested GA termination

#### 32.1.1 Conditions and procedure

The beneficiaries may request the termination of the grant.

The coordinator must submit a request for **amendment** (see Article 39), with:

- the reasons why
- the date the consortium ends work on the action ('end of work date') and

- the date the termination takes effect ('termination date'); this date must be after the date of the submission of the amendment request.

The termination will **take effect** on the termination date specified in the amendment.

If no reasons are given or if the granting authority considers the reasons do not justify termination, it may consider the grant terminated improperly.

### **32.1.2 Effects**

The coordinator must — within 60 days from when termination takes effect — submit a **periodic report** (for the open reporting period until termination).

The granting authority will calculate the final grant amount and final payment on the basis of the report submitted and taking into account the costs incurred and contributions for activities implemented before the end of work date (see Article 22). Costs relating to contracts due for execution only after the end of work are not eligible.

If the granting authority does not receive the report within the deadline, only costs and contributions which are included in an approved periodic report will be taken into account (no costs/contributions if no periodic report was ever approved).

Improper termination may lead to a grant reduction (see Article 28).

After termination, the beneficiaries' obligations (in particular Articles 13 (confidentiality and security), 16 (IPR), 17 (communication, dissemination and visibility), 21 (reporting), 25 (checks, reviews, audits and investigations), 26 (impact evaluation), 27 (rejections), 28 (grant reduction) and 42 (assignment of claims)) continue to apply.

## **32.2 Consortium-requested beneficiary termination**

Not applicable

## **32.3 EU-initiated GA or beneficiary termination**

### **32.3.1 Conditions**

The granting authority may terminate the grant or the participation of one or more beneficiaries, if:

- (a) one or more beneficiaries do not accede to the Agreement (see Article 40)
- (b) a change to the action or the legal, financial, technical, organisational or ownership situation of a beneficiary is likely to substantially affect the implementation of the action or calls into question the decision to award the grant (including changes linked to one of the exclusion grounds listed in the declaration of honour)
- (c) following termination of one or more beneficiaries, the necessary changes to the Agreement (and their impact on the action) would call into question the decision awarding the grant or breach the principle of equal treatment of applicants

- (d) implementation of the action has become impossible or the changes necessary for its continuation would call into question the decision awarding the grant or breach the principle of equal treatment of applicants
- (e) a beneficiary (or person with unlimited liability for its debts) is subject to bankruptcy proceedings or similar (including insolvency, winding-up, administration by a liquidator or court, arrangement with creditors, suspension of business activities, etc.)
- (f) a beneficiary (or person with unlimited liability for its debts) is in breach of social security or tax obligations
- (g) a beneficiary (or person having powers of representation, decision-making or control, or person essential for the award/implementation of the grant) has been found guilty of grave professional misconduct
- (h) a beneficiary (or person having powers of representation, decision-making or control, or person essential for the award/implementation of the grant) has committed fraud, corruption, or is involved in a criminal organisation, money laundering, terrorism-related crimes (including terrorism financing), child labour or human trafficking
- (i) a beneficiary (or person having powers of representation, decision-making or control, or person essential for the award/implementation of the grant) was created under a different jurisdiction with the intent to circumvent fiscal, social or other legal obligations in the country of origin (or created another entity with this purpose)
- (j) a beneficiary (or person having powers of representation, decision-making or control, or person essential for the award/implementation of the grant) has committed:
  - (i) substantial errors, irregularities or fraud or
  - (ii) serious breach of obligations under this Agreement or during its award (including improper implementation of the action, non-compliance with the call conditions, submission of false information, failure to provide required information, breach of ethics or security rules (if applicable), etc.)
- (k) a beneficiary (or person having powers of representation, decision-making or control, or person essential for the award/implementation of the grant) has committed — in other EU grants awarded to it under similar conditions — systemic or recurrent errors, irregularities, fraud or serious breach of obligations that have a material impact on this grant (extension of findings; see Article 25.5)
- (l) despite a specific request by the granting authority, a beneficiary does not request — through the coordinator — an amendment to the Agreement to end the participation of one of its affiliated entities or associated partners that is in one of the situations under points (d), (f), (e), (g), (h), (i) or (j) and to reallocate its tasks, or
- (m) other:
  - (i) *[OPTION 1 by default: linked action issues: not applicable] [OPTION 2 for programmes with linked actions: [OPTION 1 by default: linked action issues: not applicable] [OPTION 2 if selected for the grant: the linked action (see Article 3) has not started as specified in Annex 1, has been terminated or can*

no longer contribute, and this impacts the implementation of the action under this Agreement//

- (ii) *[OPTION 1 by default: additional GA termination grounds: not applicable]*  
*[OPTION 2 for programmes with additional GA termination grounds:*  
*[additional GA termination grounds: insert other grounds]]*.

### 32.3.2 Procedure

Before terminating the grant or participation of one or more beneficiaries, the granting authority will send a **pre-information letter** to the coordinator or beneficiary concerned:

- formally notifying the intention to terminate and the reasons why and
- requesting observations within 30 days of receiving notification.

If the granting authority does not receive observations or decides to pursue the procedure despite the observations it has received, it will confirm the termination and the date it will take effect (**confirmation letter**). Otherwise, it will formally notify that the procedure is discontinued.

The termination will **take effect** the day after the confirmation notification is sent (or on a later date specified in the notification; ‘termination date’).

### 32.3.3 Effects

- (a) for **GA termination**:

The coordinator must — within 60 days from when termination takes effect — submit a **periodic report** (for the last open reporting period until termination).

The granting authority will calculate the final grant amount and final payment on the basis of the report submitted and taking into account the costs incurred and contributions for activities implemented before termination takes effect (see Article 22). Costs relating to contracts due for execution only after termination are not eligible.

If the grant is terminated for breach of the obligation to submit reports, the coordinator may not submit any report after termination.

If the granting authority does not receive the report within the deadline, only costs and contributions which are included in an approved periodic report will be taken into account (no costs/contributions if no periodic report was ever approved).

Termination does not affect the granting authority’s right to reduce the grant (see Article 28) or to impose administrative sanctions (see Article 34).

The beneficiaries may not claim damages due to termination by the granting authority (see Article 33).

After termination, the beneficiaries’ obligations (in particular Articles 13 (confidentiality and security), 16 (IPR), 17 (communication, dissemination and visibility), 21 (reporting), 25 (checks, reviews, audits and investigations), 26 (impact

evaluation), 27 (rejections), 28 (grant reduction) and 42 (assignment of claims)) continue to apply.

(b) for **beneficiary termination**:

Not applicable

## **SECTION 3 OTHER CONSEQUENCES: DAMAGES AND ADMINISTRATIVE SANCTIONS**

### **ARTICLE 33 — DAMAGES**

#### **33.1 Liability of the granting authority**

The granting authority cannot be held liable for any damage caused to the beneficiaries or to third parties as a consequence of the implementation of the Agreement, including for gross negligence.

The granting authority cannot be held liable for any damage caused by any of the beneficiaries or other participants involved in the action, as a consequence of the implementation of the Agreement.

#### **33.2 Liability of the beneficiaries**

The beneficiaries must compensate the granting authority for any damage it sustains as a result of the implementation of the action or because the action was not implemented in full compliance with the Agreement, provided that it was caused by gross negligence or wilful act.

The liability does not extend to indirect or consequential losses or similar damage (such as loss of profit, loss of revenue or loss of contracts), provided such damage was not caused by wilful act or by a breach of confidentiality.

### **ARTICLE 34 — ADMINISTRATIVE SANCTIONS AND OTHER MEASURES**

Nothing in this Agreement may be construed as preventing the adoption of administrative sanctions (i.e. exclusion from EU award procedures and/or financial penalties) or other public law measures, in addition or as an alternative to the contractual measures provided under this Agreement (see, for instance, Articles 135 to 145 EU Financial Regulation 2018/1046 and Articles 4 and 7 of Regulation 2988/95<sup>36</sup>).

## **SECTION 4 FORCE MAJEURE**

### **ARTICLE 35 — FORCE MAJEURE**

A party prevented by force majeure from fulfilling its obligations under the Agreement cannot be considered in breach of them.

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<sup>36</sup> Council Regulation (EC, Euratom) No 2988/95 of 18 December 1995 on the protection of the European Communities financial interests (OJ L 312, 23.12.1995, p. 1).

‘Force majeure’ means any situation or event that:

- prevents either party from fulfilling their obligations under the Agreement,
- was unforeseeable, exceptional situation and beyond the parties’ control,
- was not due to error or negligence on their part (or on the part of other participants involved in the action), and
- proves to be inevitable in spite of exercising all due diligence.

Any situation constituting force majeure must be formally notified to the other party without delay, stating the nature, likely duration and foreseeable effects.

The parties must immediately take all the necessary steps to limit any damage due to force majeure and do their best to resume implementation of the action as soon as possible.

## **CHAPTER 6 FINAL PROVISIONS**

### **ARTICLE 36 — COMMUNICATION BETWEEN THE PARTIES**

#### **36.1 Forms and means of communication — Electronic management**

EU grants are managed fully electronically through the EU Funding & Tenders Portal (‘Portal’).

All communications must be made electronically through the Portal, in accordance with the Portal Terms and Conditions and using the forms and templates provided there (except if explicitly instructed otherwise by the granting authority).

Communications must be made in writing and clearly identify the grant agreement (project number and acronym).

Communications must be made by persons authorised according to the Portal Terms and Conditions. For naming the authorised persons, each beneficiary must have designated — before the signature of this Agreement — a ‘legal entity appointed representative (LEAR)’. The role and tasks of the LEAR are stipulated in their appointment letter (see Portal Terms and Conditions).

If the electronic exchange system is temporarily unavailable, instructions will be given on the Portal.

#### **36.2 Date of communication**

The sending date for communications made through the Portal will be the date and time of sending, as indicated by the time logs.

The receiving date for communications made through the Portal will be the date and time the communication is accessed, as indicated by the time logs. Formal notifications that have not been accessed within 10 days after sending, will be considered to have been accessed (see Portal Terms and Conditions).

If a communication is exceptionally made on paper (by e-mail or postal service), general principles apply (i.e. date of sending/receipt). Formal notifications by registered post with proof of delivery will be considered to have been received either on the delivery date registered by the postal service or the deadline for collection at the post office.

If the electronic exchange system is temporarily unavailable, the sending party cannot be considered in breach of its obligation to send a communication within a specified deadline.

### **36.3 Addresses for communication**

The Portal can be accessed via the Europa website.

The address for paper communications to the granting authority (if exceptionally allowed) is the official mailing address indicated on its website.

For beneficiaries, it is the legal address specified in the Portal Participant Register.

## **ARTICLE 37 — INTERPRETATION OF THE AGREEMENT**

The provisions in the Data Sheet take precedence over the rest of the Terms and Conditions of the Agreement.

Annex 5 takes precedence over the Terms and Conditions; the Terms and Conditions take precedence over the Annexes other than Annex 5.

Annex 2 takes precedence over Annex 1.

## **ARTICLE 38 — CALCULATION OF PERIODS AND DEADLINES**

In accordance with Regulation No 1182/71<sup>37</sup>, periods expressed in days, months or years are calculated from the moment the triggering event occurs.

The day during which that event occurs is not considered as falling within the period.

‘Days’ means calendar days, not working days.

## **ARTICLE 39 — AMENDMENTS**

### **39.1 Conditions**

The Agreement may be amended, unless the amendment entails changes to the Agreement which would call into question the decision awarding the grant or breach the principle of equal treatment of applicants.

Amendments may be requested by any of the parties.

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<sup>37</sup> Regulation (EEC, Euratom) No 1182/71 of the Council of 3 June 1971 determining the rules applicable to periods, dates and time-limits (OJ L 124, 8/6/1971, p. 1).

## 39.2 Procedure

The party requesting an amendment must submit a request for amendment signed directly in the Portal Amendment tool.

The coordinator submits and receives requests for amendment on behalf of the beneficiaries (see Annex 3). If a change of coordinator is requested without its agreement, the submission must be done by another beneficiary (acting on behalf of the other beneficiaries).

The request for amendment must include:

- the reasons why
- the appropriate supporting documents and
- for a change of coordinator without its agreement: the opinion of the coordinator (or proof that this opinion has been requested in writing).

The granting authority may request additional information.

If the party receiving the request agrees, it must sign the amendment in the tool within 45 days of receiving notification (or any additional information the granting authority has requested). If it does not agree, it must formally notify its disagreement within the same deadline. The deadline may be extended, if necessary for the assessment of the request. If no notification is received within the deadline, the request is considered to have been rejected.

An amendment **enters into force** on the day of the signature of the receiving party.

An amendment **takes effect** on the date of entry into force or other date specified in the amendment.

### ARTICLE 40 — ACCESSION AND ADDITION OF NEW BENEFICIARIES

Not applicable

### ARTICLE 41 — TRANSFER OF THE AGREEMENT

Not applicable

### ARTICLE 42 — ASSIGNMENTS OF CLAIMS FOR PAYMENT AGAINST THE GRANTING AUTHORITY

The beneficiaries may not assign any of their claims for payment against the granting authority to any third party, except if expressly approved in writing by the granting authority on the basis of a reasoned, written request by the coordinator (on behalf of the beneficiary concerned).

If the granting authority has not accepted the assignment or if the terms of it are not observed, the assignment will have no effect on it.

In no circumstances will an assignment release the beneficiaries from their obligations towards the granting authority.

## **ARTICLE 43 — APPLICABLE LAW AND SETTLEMENT OF DISPUTES**

### **43.1 Applicable law**

The Agreement is governed by the applicable EU law, supplemented if necessary by the law of Belgium.

### **43.2 Dispute settlement**

If a dispute concerns the interpretation, application or validity of the Agreement, the parties must bring action before the EU General Court — or, on appeal, the EU Court of Justice — under Article 272 of the Treaty on the Functioning of the EU (TFEU).

For non-EU beneficiaries (if any), such disputes must be brought before the courts of Brussels, Belgium — unless an international agreement provides for the enforceability of EU court judgements.

If a dispute concerns administrative sanctions, offsetting or an enforceable decision under Article 299 TFEU (see Articles 22 and 34), the beneficiaries must bring action before the General Court — or, on appeal, the Court of Justice — under Article 263 TFEU.

For grants where the granting authority is an EU executive agency (see Preamble), actions against offsetting and enforceable decisions must be brought against the European Commission (not against the granting authority; see also Article 22).

## **ARTICLE 44 — ENTRY INTO FORCE**

The Agreement will enter into force on the day of signature by the granting authority or the coordinator, depending on which is later.

### **SIGNATURES**

For the coordinator  
[function/forename/surname]  
[electronic signature]  
Done in [English]  
on [electronic time stamp]

For the granting authority  
[forename/surname]  
[electronic signature]  
Done in [English]  
on [electronic time stamp]

Project: [insert number] — [insert acronym] — [insert call identifier]

EU Grants: [JUST/REC Operating Grants MGA — Mono]: V1.0 – 01.06.2021

## **ANNEX 1**

### **DESCRIPTION OF THE ACTION**

**ANNEX 2**

**ESTIMATED BUDGET**

ANNEX 2 XXX OPERATING GRANTS MGA – MULTI + MONO

ESTIMATED BUDGET FOR THE ACTION

Estimated eligible <sup>3</sup> costs (per budget category)													Estimated EU contribution			
Direct costs												Total costs	EU contribution to eligible costs			Maximum grant amount <sup>4</sup>
A. Personnel costs		B. Subcontracting costs	C. Purchase costs						D. Other cost categories	Funding rate % <sup>2</sup>	Maximum EU contribution <sup>3</sup>		Requested EU contribution			
A.1 Employees (or equivalent)		A.5 Volunteers	B. Subcontracting	C.1 Travel and subsistence		C.1 Travel and subsistence			C.2 Equipment	C.3 Other goods, works and services	D.X Financial support to third parties					
A.2 Natural persons under direct contract					Travel	Accommodation	Subsistence									
A.3 Seconded persons					Actual costs		Actual costs				Actual costs		Actual costs		Actual costs	
Forms of feeding		Unit costs (prev accounting practices)	Unit costs <sup>3</sup>	Actual costs	Actual costs	/ Actual costs / Unit <sup>3</sup> or actual costs /	/ Actual costs / Unit <sup>3</sup> or actual costs /	/ Actual costs / Unit <sup>3</sup> or actual costs /	Actual costs	Actual costs	Actual costs	f = sub+c+d	U	g = f*U%	h	m
		a1	a2	a4	b	c1	c1a	c1b	c1c	c2	c3	d1a				
1 - [short name beneficiary]																


Project: [insert number] — [insert acronym] — [insert call identifier]

EU Grants: [JUST/REC Operating Grants MGA — Mono]: V1.0 – 01.06.2021

*[OPTION 1 if unit costs or contributions apply:*

**ANNEX 2a**

## **ADDITIONAL INFORMATION ON UNIT COSTS AND CONTRIBUTIONS**

 *For the options that apply to your programme, please see the Programme General MGA available on [Portal Reference Documents](#).*

*]*

Project: [insert number] — [insert acronym] — [insert call identifier]

EU Grants: [JUST/REC Operating Grants MGA — Mono]: V1.0 – 01.06.2021

### ANNEX 3

## ~~ACCESSION FORM FOR BENEFICIARIES~~<sup>38</sup>

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<sup>38</sup> Template published on [Portal Reference Documents](#).

Project: [insert number] — [insert acronym] — [insert call identifier]

EU Grants: [JUST/REC Operating Grants MGA — Mono]: V1.0 – 01.06.2021

*{OPTION if selected for the grant:*

**ANNEX 3a**

**~~DECLARATION ON JOINT AND SEVERAL LIABILITY OF  
AFFILIATED ENTITIES<sup>39</sup> }~~**

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<sup>39</sup> Template published on [Portal Reference Documents](#).

**ANNEX 4**

**MODEL FOR THE FINANCIAL STATEMENTS**

ANNEX 4 XXX OPERATING GRANTS MGA – MULTI + MONO

FINANCIAL STATEMENT FOR [PARTICIPANT NAME] FOR REPORTING PERIOD [NUMBER]

Eligible <sup>1</sup> costs (per budget category)													EU contribution				Revenues
Direct costs												Total costs	EU contribution to eligible costs			Total requested EU contribution	Income generated by the action
A. Personnel costs		B. Subcontracting costs	C. Purchase costs						D. Other cost categories	Funding rate % <sup>2</sup>	Maximum EU contribution <sup>3</sup>		Requested EU contribution				
A.1 Employees (or equivalent)		A.5 Volunteers	B. Subcontracting	C.1 Travel and subsistence			C.1 Travel and subsistence		C.2 Equipment	C.3 Other goods, works and services	D.X Financial support to third parties	f = s1+s2+s4+b+c1+c2+c3+d5	U	g = f*U	h	m	
A.2 Natural persons under direct contract				C.1 Travel and subsistence													
A.3 Seconded persons				Travel	Accommodation	Subsistence											
Forms of feeding		Actual costs	Unit costs (usual seconding practices)	Unit costs <sup>4</sup>	Actual costs	Actual costs	Actual costs	Actual costs	Actual costs	Actual costs	Actual costs						
		s1	s2	s4	b	c1	c1a	c1b	c1c	c2	c3	d5	U	g = f*U	h	m	n
1 - [short name beneficiary]																	

Project: [insert number] — [insert acronym] — [insert call identifier]

EU Grants: [JUST/REC Operating Grants MGA — Mono]: V1.0 – 01.06.2021

## **ANNEX 5**

### **SPECIFIC RULES**

 *For the options that apply to your programme, please see the Programme General MGA available on [Portal Reference Documents](#).*