



The EU Framework Programme  
for Research and Innovation

# HORIZON 2020



## Multi -beneficiary model grant agreement for the SME instrument Phase 1 (SME-Ph1)

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11 December 2013

### Disclaimer

This document is aimed at assisting applicants for Horizon 2020 funding. It shows the full range of provisions that may be applied to this type of grant agreement, and is provided for information purposes only. The legally binding grant agreement will be that which is signed by the parties for each action.

*Research and  
Innovation*

**EN**



[EUROPEAN COMMISSION/Executive Agency]

DG

Directorate

**Unit**

## **MULTI-BENEFICIARY GENERAL MODEL GRANT AGREEMENT FOR SME INSTRUMENT PHASE 1<sup>1</sup>**

### **Introductory remark for publication on the Participant Portal only**

**The SME instrument Phase 1 Model Grant Agreement deviates from the General Model Grant Agreement in the following Articles:**

- **Article 4 Estimated budget of the action**
- **Article 5 Maximum grant amount, form of grant and reimbursement rate**
- **Article 6 Lump sum specific form of costs**
- **Article 7 Specific provision SME instrument Phase 1**
- **Article 8, 12, 14, 15, 16, 23a-33, 37, 39 (not applicable)**
- **Article 10 SME instrument Phase 1 specific provision for purchase**
- **Article 13 SME instrument Phase 1 specific provision subcontracting**
- **Article 18 SME instrument Phase 1 specific provision for record-keeping**
- **Article 20 SME instrument Phase 1 specific reporting provisions**
- **Article 21 SME instrument Phase 1 specific payment provisions**
- **Article 36 SME instrument Phase 1 specific provision on confidentiality**
- **Article 38 SME instrument Phase 1 specific provision on promoting the action**
- **Article 42 SME instrument Phase 1 specific provision for lump-sum**
- **Article 50 SME instrument Phase 1 specific provision for lump-sum**
- **Annex 2 Model for the estimated budget for the action**
- **Annex 4 Model for the financial statement**

<sup>1</sup> SME Instrument Phase 1 grants fund small and medium sized enterprises ('SMEs') which explore the feasibility and commercial potential and viability of new breakthrough ideas (proof of concept) (new products, processes, services and technologies or new market applications of existing technologies).

- Footnotes **in yellow** will appear in the text generated by the IT system for signature (since they contain definitions or references to legal documents). The other footnotes will not stay in the text (since they are internal instructions only).
- Text in **grey** indicates that text which figures in the Multi-beneficiary General MGA is not applicable.
- For options [*in italics, in square brackets*]: the applicable option must be chosen in the IT system. Options not chosen will automatically either not appear or appear as 'not applicable'. Options chosen will appear *in italics* without brackets and without the Option title (to allow beneficiaries to easily spot that a specific rule applies).
- For fields in [**grey in square brackets**] (even if they are part of an option as specified in the previous item): enter the appropriate data in the IT system.
- The IT system will generate a data sheet confirming the options chosen and the data entered.
- Information on formatting:  
styles
  - CHAPTER style 'Chapter'
  - SECTION style 'Section'
  - SUBSECTION style 'Subsection'
  - ARTICLE 1 style 'Article'
  - 4.1 Estimated budget style 'Subarticle'
  - Text (without list) style 'Normal'
  - Table of Content levels (black) style 'TOC 1', 'TOC 2', 'TOC 3', 'TOC 4', 'TOC 5'
  - Footnotes: Paragraph - special (hanging 0,5) ('Times New Roman', '10 pt')

attention: text with a list must be formatted manually ('Times New Roman', '12 pt', 'Justified')

## GRANT AGREEMENT

NUMBER [insert number] — [insert acronym]

This Agreement ('the Agreement') is **between** the following parties:

**on the one part,**

*[OPTION 1: the European Union ('the EU', represented by the European Commission ('the Commission'))<sup>2</sup>,]*

*[OPTION 2: the European Atomic Energy Community ('Euratom'), represented by the European Commission ('the Commission'),]*

*[OPTION 3: the [Research Executive Agency (REA)] [European Research Council Executive Agency (ERCEA)] [Innovation and Networks Executive Agency (INEA)] [Executive Agency for Small and Medium-sized Enterprises (EASME)] ('the Agency'), under the powers delegated by the European Commission ('the Commission'),]*

represented for the purposes of signature of this Agreement by [[function, [Directorate-General, Directorate, Unit] [Department]], [forename and surname],<sup>3</sup>

<sup>2</sup> Text in *italics* shows the options of the Model Grant Agreement that are applicable to this Agreement.

**and**

**on the other part,**

1. ‘the coordinator’:

[full official name (short name)][legal form], [official registration No], established in [official address in full], [VAT number], represented for the purposes of signing the Agreement by [function, forename and surname]

and the following other beneficiaries, if they sign their ‘Accession Form’ (see Annex 3 and Article 56):

2. [full official name (short name)][legal form], [official registration No], established in [official address in full] [VAT number],

*[OPTION for beneficiaries not receiving EU funding: . [full official name (short name)] [legal form], [official registration No], established in [official address in full] [VAT number], as ‘beneficiary not receiving EU funding’ (see Article 9),]*

[same for each beneficiary]

*[OPTION if the JRC is a beneficiary: and . the Joint Research Centre (JRC) established in [official address in full], if it signs the administrative arrangement (see Annex 3b)].*

Unless otherwise specified, references to ‘beneficiary’ or ‘beneficiaries’ include the coordinator *[OPTION if the JRC participates: and the Joint Research Centre (JRC)].*

The parties referred to above have agreed to enter into the Agreement under the terms and conditions below.

By signing the Agreement or the Accession Form *[OPTION if the JRC is a beneficiary: or the administrative arrangement]*, 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 conditions it sets out.

The Agreement is composed of:

Terms and Conditions

Annex 1 Description of the action

Annex 2 Estimated budget for the action

Annex 3 Accession Forms

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<sup>3</sup> The person representing the [Commission][Agency] must be an authorising officer (by delegation or sub-delegation) designated in accordance with document 60008 of 22.02.2001 ‘Mise en place de la Charte des ordonnateurs’.

*[OPTION to be used if Article 14 applies and if joint and several liability has been requested by the [Commission][Agency]: 3a Declaration on joint and several liability of linked third parties]*

*[OPTION if the JRC participates: 3b Administrative arrangement]*

Annex 4 Model financial statements

Annex 5 Not applicable

Annex 6 Not applicable

## TERMS AND CONDITIONS

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## **CHAPTER 1 GENERAL**

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

This Agreement sets out the rights and obligations and the terms and conditions applicable to the grant awarded to the beneficiaries for implementing the action set out in Chapter 2.

## **CHAPTER 2 ACTION**

### **ARTICLE 2 — ACTION TO BE IMPLEMENTED [— COMPLEMENTARY GRANT] [— JOINTLY FUNDED ACTION]**

The grant is awarded for the action entitled [insert title of the action] — [insert acronym] ('action'), as described in Annex 1.

*[OPTION for complementary grants if foreseen in the work programme: The grant is a 'complementary grant' to [the grant agreement(s) under the call(s) for proposals [call identifier(s): H2020 — theme —]] [the following complementary grant agreement(s) No(s):*

- [insert number] [insert acronym]
- [insert number] [insert acronym]].]

*[OPTION for joint actions (joint call with a third country or an international organisation): The action is a 'jointly funded action' which must be coordinated with the 'joint action' called [insert the name of the third country or international organisation action], as described in Annex 1.]*

### **ARTICLE 3 — DURATION AND STARTING DATE OF THE ACTION**

The duration of the action will be [insert number] months as of [OPTION by default: the first day of the month following the date the Agreement enters into force (see Article 58)] [OPTION if needed for the action: insert date]<sup>4</sup> ('starting date of the action').

### **ARTICLE 4 — ESTIMATED BUDGET AND BUDGET TRANSFERS**

#### **4.1 Estimated budget**

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

It contains the estimated eligible costs and the form of costs (see Articles 5 and 6).

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<sup>4</sup> This date must always be the first day of a month and it must be later than the date of entry into force of the agreement unless authorised otherwise by the authorising officer, if the applicant can demonstrate the need to start the action before the entry into force of the grant agreement. In any case, the starting date should not be earlier than the date of the submission of the grant application (Article 130 FR).

## 4.2 Budget transfers

Not applicable

## **CHAPTER 3 GRANT**

### **ARTICLE 5 — GRANT AMOUNT, FORM OF GRANT, REIMBURSEMENT RATES AND FORMS OF COSTS**

#### **5.1 Maximum grant amount**

The maximum grant amount is **EUR 50 000** (fifty thousand euros).

#### **5.2 Form of grant, reimbursement rate and form of costs**

The grant reimburses **70%** of the action's eligible costs (see Article 6) (**'reimbursement of eligible costs grant'**) (see Annex 2).

The estimated eligible costs of the action are **EUR 71 429** (seventy one thousand four hundred and twenty nine).

Eligible costs (see Article 6) for the **costs for the feasibility study** must be declared as the lump sum set out in Annex 2 (i.e. under the form of **'lump sum costs'**).

#### **5.3 Final grant amount — Calculation**

The final grant amount depends on the proper implementation of the action in accordance with the Agreement's terms and conditions.

This **amount** is calculated by the *[Commission][Agency]* — when the payment of the balance is made (see Article 21) — in the following steps:

Step 1 – Application of the reimbursement rate

Step 2 – Reduction due to breach of obligations

##### **5.3.1 Step 1 — Application of the reimbursement rates to the eligible costs**

The reimbursement rate (see Article 5.2) is applied to the eligible costs (lump sum costs; see Article 6) declared by the beneficiary and approved by the *[Commission][Agency]* (see Article 21).

##### **5.3.2 Step 2 — Reduction due to improper implementation or breach of other obligations — Reduced maximum grant amount — Calculation**

If the grant is reduced (see Article 43), the *[Commission][Agency]* will calculate the reduced maximum grant amount by deducting the amount of the reduction (calculated in proportion to

the improper implementation of the action or to the seriousness of the breach of obligations in accordance with Article 43.2) from the maximum grant amount set out in Article 5.1.

In this case, the final grant amount will be the lower of the following two:

- the amount obtained in Step 1 or
- the amount obtained in Step 2.

#### 5.4 Revised final grant amount — Calculation

If — after the payment of the balance (in particular, after checks, reviews, audits or investigations; see Article 22) — the [Commission][Agency] rejects costs (see Article 42) or reduces the grant (see Article 43), it will calculate the '**revised final grant amount**'.

This **amount** is calculated by the [Commission][Agency] on the basis of the findings, as follows:

- in case of **rejection of costs**: by applying the reimbursement rate to the revised eligible costs approved by the [Commission][Agency];
- in case of **reduction of the grant**: in proportion to its improper implementation of the action or to the seriousness of its breach of obligations (see Article 43.2).

In case of **rejection of costs and reduction of the grant**, the revised final grant amount will be the lower of the two amounts above.

## ARTICLE 6 — ELIGIBLE AND INELIGIBLE COSTS

### 6.1 Eligible costs

**Costs for the feasibility study (direct and indirect costs)** are eligible ('eligible costs'), if they correspond to the lump sum set out in Annex 2 and if the corresponding tasks or parts of the action have been properly implemented in accordance with Annex 1.

### 6.2 Ineligible costs

'Ineligible costs' are:

- (a) costs that do not comply with the conditions set out above (see Article 6.1) and
- (b) costs reimbursed under another EU or Euratom grant (including grants awarded by a Member State and financed by the EU or Euratom budget and grants awarded by bodies other than the [Commission][Agency] for the purpose of implementing the EU and Euratom budget.

### 6.3 Consequences of declaration of ineligible costs

Declared costs that are ineligible will be rejected (see Article 42).

This may also lead to any of the other measures described in Chapter 6.

## **CHAPTER 4 RIGHTS AND OBLIGATIONS OF THE PARTIES**

### **SECTION 1 RIGHTS AND OBLIGATIONS RELATED TO IMPLEMENTING THE ACTION**

#### **ARTICLE 7 — GENERAL OBLIGATION TO PROPERLY IMPLEMENT THE ACTION**

##### **7.1 General 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 and all legal obligations under applicable EU, international and national law.

##### **7.2 Consequences of non-compliance**

If a beneficiary does not properly implement the action (or part of it), the corresponding costs will be ineligible (see Article 6) and will be rejected (see Article 42).

If a beneficiary breaches any other obligation, the grant may be reduced (see Article 43).

This may also lead to any of the other measures described in Chapter 6.

#### **ARTICLE 8 — RESOURCES TO IMPLEMENT THE ACTION**

Not applicable

#### **ARTICLE 9 — IMPLEMENTATION OF ACTION TASKS BY BENEFICIARIES NOT RECEIVING EU FUNDING**

##### **9.1 Rules for the implementation of action tasks by beneficiaries not receiving EU funding**

*[OPTION for beneficiaries not receiving EU funding: Beneficiaries not receiving EU funding must implement the action tasks attributed to them in Annex 1 according to Article 7.1.*

*Their costs are estimated in Annex 2 but:*

- *will not be reimbursed and*

- *will not be taken into account for the calculation of the grant (see Articles 5.2, 5.3 and 5.4, and 21).*

*Chapter 3, Articles 10 to 15, 18.1.2, 20.3(b), 20.4(b), 20.6, 21, 26.4, 28.1 [OPTION: with the exception of additional exploitation obligations], 28.2, 30.3, 31.5, 40, 42, 43, 44, 47 and 48 do not apply to these beneficiaries.*

*They will not be subject to financial checks, reviews and audits under Article 22.*

*Beneficiaries not receiving EU funding may provide in-kind contributions to another beneficiary. In this case, they will be considered as a third party for the purpose of Articles 11 and 12.]*

*[OPTION: not applicable]*

## **9.2 Consequences of non-compliance**

*[If a beneficiary not receiving EU funding breaches any of its obligations under this Article, its participation of the Agreement may be terminated (see Article 50).*

*Such breaches may also lead to any of the other measures described in Chapter 6 that are applicable to it.]*

*[OPTION: not applicable]*

## **ARTICLE 10 — PURCHASE OF GOODS, WORKS OR SERVICES**

### **10.1 Rules for purchasing goods, works or services**

If necessary to implement the action, the beneficiaries may purchase goods, works or services.

The beneficiaries must make such purchases ensuring the best value for money or, if appropriate, the lowest price. In doing so, it must avoid any conflict of interests (see Article 35).

The beneficiaries must ensure that the Commission [*and the Agency*], the European Court of Auditors (ECA) and the European Anti-fraud Office (OLAF) can exercise their rights under Articles 22 and 23 also towards their contractors.

### **10.2 Consequences of non-compliance**

If a beneficiary breaches any of its obligations under this Article, the grant may be reduced (see Article 43).

Such breaches may also lead to any of the other measures described in Chapter 6.

**ARTICLE 11 — USE OF IN-KIND CONTRIBUTIONS PROVIDED BY THIRD PARTIES AGAINST PAYMENT**

Not applicable

**ARTICLE 12 — USE OF IN-KIND CONTRIBUTIONS PROVIDED BY THIRD PARTIES FREE OF CHARGE**

Not applicable

**ARTICLE 13 — IMPLEMENTATION OF ACTION TASKS BY SUBCONTRACTORS**

**13.1 Rules for subcontracting action tasks**

If necessary to implement the action, the beneficiaries may award subcontracts covering the implementation of certain action tasks described in Annex 1.

The beneficiaries must award the subcontracts ensuring the best value for money or, if appropriate, the lowest price. In doing so, they must avoid any conflict of interests (see Article 35).

The beneficiaries must ensure that the Commission [and the Agency], the European Court of Auditors (ECA) and the European Anti-fraud Office (OLAF) can exercise their rights under Articles 22 and 23 also towards their subcontractors.

The beneficiaries must ensure that its obligations under Articles 35, 36, 38 and 46 also apply to the subcontractors.

**13.2 Consequences of non-compliance**

If a beneficiary breaches any of its obligations under this Article, the grant may be reduced (see Article 43).

Such breaches may also lead to any of the other measures described in Chapter 6.

**ARTICLE 14 — IMPLEMENTATION OF ACTION TASKS BY LINKED THIRD PARTIES**

Not applicable

**ARTICLE 15 — FINANCIAL SUPPORT TO THIRD PARTIES**

Not applicable

**ARTICLE 16 — PROVISION OF TRANS-NATIONAL OR VIRTUAL ACCESS TO RESEARCH INFRASTRUCTURE**

Not applicable

## **SECTION 2 RIGHTS AND OBLIGATIONS RELATED TO THE GRANT ADMINISTRATION**

### **ARTICLE 17 — GENERAL OBLIGATION TO INFORM**

#### **17.1 Obligation to provide information upon request**

The beneficiaries must provide — during implementation of the action or afterwards — any information requested in order to verify proper implementation of the action and compliance with the obligations under the Agreement (see Article 41.2).

#### **17.2 Obligation to keep information up to date and to inform about events and circumstances likely to affect the Agreement**

Each beneficiary must keep information stored in the ‘Beneficiary Register’ (in the electronic exchange system; see Article 52) up to date, in particular, its name, address, legal representatives, legal form and organisation type.

Each beneficiary must immediately inform the coordinator — which must immediately inform the *[Commission][Agency]* and the other beneficiaries — of any of the following:

- (a) **events** which are likely to affect significantly or delay the implementation of the action or the EU's financial interests, in particular:
  - (i) changes in its legal, financial, technical, organisational or ownership situation *[or those of its linked third parties and*
  - (ii) *changes in the name, address, legal form, organisation type of its linked third parties;]*
- (b) **circumstances** affecting:
  - (i) the decision to award the grant or
  - (ii) compliance with requirements under the Agreement.

#### **17.3 Consequences of non-compliance**

If a beneficiary breaches any of its obligations under this Article, the grant may be reduced (see Article 43).

Such breaches may also lead to any of the other measures described in Chapter 6.

### **ARTICLE 18 — KEEPING RECORDS — SUPPORTING DOCUMENTATION**

#### **18.1 Obligation to keep records and other supporting documentation to support the costs declared**



The beneficiaries must — for a period of three years after the balance is paid — keep adequate records and other supporting documentation to prove that the corresponding tasks or part of the action as described in Annex I have been implemented properly. The beneficiaries do not need to identify the actual eligible costs covered or provide supporting documentation (such as accounting statements) to prove the amount declared as the lump sum.

It must make them available upon request (see Article 17) or in the context of checks, reviews, audits or investigations (see Article 22).

If there are on-going checks, reviews, audits, investigations, litigation or other pursuits of claims under the Agreement (including the extension of findings; see Articles 22), the beneficiaries must keep the 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 [Commission][Agency] may accept non-original documents if it considers that they offer a comparable level of assurance

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

If a beneficiary breaches any of its obligations under this Article, costs insufficiently substantiated will be ineligible (see Article 6) and will be rejected (see Article 42).

Such breaches may also lead to any of the other measures described in Chapter 6.

## **ARTICLE 19 — SUBMISSION OF DELIVERABLES**

### **19.1 Obligation to submit deliverables**

The coordinator must submit the ‘**deliverables**’ identified in Annex 1, in accordance with the timing and conditions set out in it.

### **19.2 Consequences of non-compliance**

If the coordinator breaches any of its obligations under this Article, the [Commission][Agency] may apply any of the measures described in Chapter 6.

## **ARTICLE 20 — REPORTING — PAYMENT REQUESTS**

### **20.1 General obligation to submit the report**

The coordinator must submit to the [Commission][Agency] (see Article 52) the final report, including a request for payment.

The report must be drawn up using the forms and templates provided by the [Commission][Agency] in the electronic exchange system (see Article 52).

## 20.2 Reporting period

The action has one reporting period:

- RP1: from month 1 to month

## 20.3 Periodic reports — Requests for interim payments

Not applicable

## 20.4 Final report — Request for payment of the balance

The coordinator must submit to the [Commission][Agency] (see Article 52) — within 60 days following the end of the reporting period — a final report, which includes the request for payment of the balance.

The **final report** must include the following:

- (a) a '**final technical report**' containing a **summary** with:
  - (i) an overview of the results;
  - (ii) the conclusions on the action;
  - (iii) the answers to the '**questionnaire**', covering issues related to the action implementation and the economic and societal impact, notably in the context of the Horizon 2020 key performance indicators and the Horizon 2020 monitoring requirements.
- (b) a '**final financial report**' containing an '**individual financial statement**' from each beneficiary (see Annex 4), which includes the **request for payment of the balance**.

The individual financial statement must detail the eligible costs (lump sum costs; see Article 6 and Annex 2).

Amounts which are not declared in the individual financial statement will not be taken into account by the [Commission][Agency].

Each beneficiary must **certify** that:

- the information provided is full, reliable and true;
- the costs declared are eligible (i.e. that the action has been properly implemented; see Article 6);

- the costs (i.e. the proper implementation of the action) can be substantiated by adequate records and supporting documentation (see Article 18) that will be produced upon request (see Article 17) or in the context of checks, reviews, audits and investigations (see Article 22).

## 20.5 Information on cumulative expenditure incurred

Not applicable

## 20.6 Currency for financial statements

Financial statements must be drafted in euro.

## 20.7 Language of report

The report (technical and financial final report, including the financial statement) must be submitted in the language of the Agreement.

## 20.8 Consequences of non-compliance — Suspension of the payment deadline — Termination

If the report submitted does not comply with this Article, the [Commission][Agency] may suspend the payment deadline (see Article 47) and apply any of the other measures described in Chapter 6

If the coordinator breaches its obligation to submit the reports and if it fails to comply with this obligation within 30 days following a written reminder sent by the [Commission][Agency], the Agreement may be terminated (see Article 50).

## ARTICLE 21 — PAYMENTS AND PAYMENT ARRANGEMENTS

### 21.1 Payments to be made

The following payments will be made to the coordinator:

- one **pre-financing payment**;
- one **payment of the balance**, on the basis of the request for payment of the balance (see Article 20).

### 21.2 Pre-financing payment — Amount — Amount retained for the Guarantee Fund

The aim of the pre-financing is to provide the beneficiaries with a float.

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

The amount of the pre-financing payment will be EUR [insert amount (insert amount in words)].

The [Commission][Agency] will — except if Article 48 applies — make the pre-financing payment to the coordinator within 30 days from the starting date of the action (see Article 3) or from the entry into force of the Agreement (see Article 58), whichever is the latest.

An amount of EUR [insert amount (insert amount in words)], corresponding to the 5% of the maximum grant amount (see Article 5.1), is retained by the [Commission][Agency] from the pre-financing payment and transferred into the ‘**Guarantee Fund**’

### 21.3 Interim payments — Amount — Calculation

Not applicable

### 21.4 Payment of the balance — Amount — Calculation — Release of the amount retained for the Guarantee Fund

The payment of the balance reimburses the remaining part of the eligible costs incurred by the beneficiaries for the implementation of the action.

If the total amount of earlier payments is greater than the final grant amount (see Article 5.3), the payment of the balance takes the form of a recovery (see Article 44).

If the total amount of earlier payments is lower than the final grant amount, the [Commission][Agency] will pay the balance within 90 days from receiving the final report (see Article 20.4), except if Articles 47 or 48 apply.

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

The **amount due as the balance** is calculated by the [Commission][Agency] by deducting the total amount of pre-financing and interim payments (if any) already made, from the final grant amount determined in accordance with Article 5.3:

$$\begin{aligned} & \{ \text{final grant amount (see Article 5.3)} \\ & \text{minus} \\ & \{ \text{pre-financing and interim payments (if any) made} \} \}. \end{aligned}$$

At the payment of the balance, the amount retained for the Guarantee Fund (see above) will be released and:

- if the balance is positive: the amount released will be paid in full to the coordinator together with the amount due as the balance;
- if the balance is negative (payment of the balance taking the form of recovery): it will be deducted from the amount released (see Article 44.1.2). If the resulting amount:
  - is positive, it will be paid to the coordinator

- is negative, it will be recovered.

The amount to be paid may however be offset — without the beneficiary's consent — against any other amount owed to a beneficiary by the Commission or an executive agency (from the EU or Euratom budget), up to the maximum EU contribution indicated, for that beneficiary, in the estimated budget (see Annex 2).

### **21.5 Notification of amounts due**

The [Commission][Agency] will formally notify to the coordinator the amount due and specify the final grant amount.

In the case of reduction of the grant or recovery of undue amounts, the notification will be preceded by the contradictory procedure set out in Articles 43 and 44.

### **21.6 Currency for payments**

The [Commission][Agency] will make all payments in euro.

### **21.7 Payments to the coordinator — Distribution to the beneficiaries**

Payments will be made to the coordinator.

Payments to the coordinator will discharge the [Commission][Agency] from its payment obligation.

The coordinator must distribute the payments between the beneficiaries without unjustified delay.

Pre-financing may however be distributed only:

- (a) if the minimum number of beneficiaries set out in the call for proposals has acceded to the Agreement (see Article 56) and
- (b) to beneficiaries that have acceded to the Agreement (see Article 56).

### **21.8 Bank account for payments**

All payments will be made to the following bank account:

Name of bank: [...]  
Address of branch: [...]  
Full name of the account holder: [...]  
Full account number (including bank codes): [...]  
[IBAN code: [...]]<sup>5</sup>

### **21.9 Costs of payment transfers**

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<sup>5</sup> BIC or SWIFT code applies to for countries if the IBAN code does not apply.

The cost of the payment transfers is borne as follows:

- the [Commission][Agency] 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.

## 21.10 Date of payment

Payments by the [Commission][Agency] are considered to have been carried out on the date when they are debited to its account.

## 21.11 Consequences of non-compliance

21.11.1 If the [Commission][Agency] does not pay within the payment deadlines (see above), the beneficiaries are entitled to **late-payment interest** at the rate applied by the European Central Bank (ECB) for its main refinancing operations in euros ('reference rate'), plus three and a half points. The reference rate 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 upon 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).

Suspension of the payment deadline or payments (see Articles 47 and 48) will not be considered as late payment.

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.

21.11.2 If the coordinator breaches any of its obligations under this Article, the grant may be reduced (see Article 43) and the Agreement or the participation of the coordinator may be terminated (see Article 50).

Such breaches may also lead to any of the other measures described in Chapter 6.

## ARTICLE 22 — CHECKS, REVIEWS, AUDITS AND INVESTIGATIONS — EXTENSION OF FINDINGS

### 22.1 Checks, reviews and audits by the Commission [and the Agency]

### 22.1.1 Right to carry out checks

The Commission [*or the Agency*] will — during the implementation of the action or afterwards — check the proper implementation of the action and compliance with the obligations under the Agreement, including assessing deliverables and reports.

For this purpose the Commission [*or the Agency*] may be assisted by external persons or bodies.

The Commission [*or the Agency*] may also request additional information in accordance with Article 17. The Commission [*or the Agency*] may request beneficiaries to provide such information to it directly.

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

### 22.1.2 Right to carry out reviews

The Commission [*or the Agency*] may — during the implementation of the action or afterwards — carry out reviews on the proper implementation of the action (including assessment of deliverables and reports), compliance with the obligations under the Agreement and continued scientific or technological relevance of the action.

Reviews may be started **up to two years after the payment of the balance**. They will be formally notified to the coordinator or beneficiary concerned and will be considered to have started on the date of the formal notification.

If the review is carried out on a third party (see Articles 10 to 16), the beneficiary concerned must inform the third party.

The Commission [*or the Agency*] may carry out reviews directly (using its own staff) or indirectly (using external persons or bodies appointed to do so). It will inform the coordinator or beneficiary concerned of the identity of the external persons or bodies. They have the right to object to the appointment on grounds of commercial confidentiality.

The coordinator or beneficiary concerned must 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 Commission [*or the Agency*] may request beneficiaries to provide such information to it directly.

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

For **on-the-spot** reviews, the beneficiaries must allow access to their sites and premises, including to external persons or bodies, 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 ‘**review report**’ will be drawn up.

The Commission *[or the Agency]* will formally notify the review report to the coordinator or beneficiary concerned, which has 30 days to formally notify observations (‘**contradictory review procedure**’).

Reviews (including review reports) are in the language of the Agreement.

### 22.1.3 Right to carry out audits

The Commission *[or the Agency]* may — during the implementation of the action or afterwards — carry out audits on the proper implementation of the action and compliance with the obligations under the Agreement.

Audits may be started **up to two years after the payment of the balance**. They will be formally notified to the coordinator or beneficiary concerned and will be considered to have started on the date of the formal notification.

If the audit is carried out on a third party (see Articles 10 to 16), the beneficiary concerned must inform the third party.

The Commission *[or the Agency]* may carry out audits directly (using its own staff) or indirectly (using external persons or bodies appointed to do so). It will inform the coordinator or beneficiary concerned of the identity of the external persons or bodies. They have the right to object to the appointment on grounds of commercial confidentiality.

The coordinator or beneficiary concerned must provide — within the deadline requested — any information (including complete accounts, individual salary statements or other personal data) to verify compliance with the Agreement. The Commission *[or the Agency]* may request beneficiaries to provide such information to it directly

For **on-the-spot** audits, the beneficiaries must allow access to their sites and premises, including to external persons or bodies, 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 Commission *[or the Agency]* will formally notify the draft audit report to the coordinator or beneficiary concerned, which has 30 days to formally notify observations (‘**contradictory audit procedure**’). This period may be extended by the Commission *[or the Agency]* in justified cases.

The ‘**final audit report**’ will take into account observations by the coordinator or beneficiary concerned. The report will be formally notified to it.



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

The Commission [*or the Agency*] may also access the beneficiaries' statutory records for the periodical assessment of unit costs or flat-rate amounts [*or lump sums*].

## **22.2 Investigations by the European Anti-Fraud Office (OLAF)**

Under Regulations No 883/2013<sup>6</sup> and No 2185/96<sup>7</sup> (and in accordance with their provisions and procedures), the European Anti-Fraud Office (OLAF) may — at any moment during implementation of the action or afterwards — carry out investigations, including on-the-spot checks and inspections, to establish whether, concerning the action funded under the Agreement, there has been fraud, corruption or any other illegal activity affecting the financial interests of the EU.

## **22.3 Checks and audits by the European Court of Auditors (ECA)**

Under Article 287 of the Treaty on the Functioning of the European Union (TFEU) and Article 161 of the Financial Regulation No 966/2012<sup>8</sup>, the European Court of Auditors (ECA) may — at any moment during implementation of the action or afterwards — carry out audits.

The ECA has the right of access for the purpose of checks and audits.

## **22.4 Checks, reviews, audits and investigations for international organisations**

*[OPTION for international organisations: In conformity with its financial regulations, the European Union, including the European Anti-Fraud Office (OLAF) and the European Court of Auditors (ECA), may undertake, including on the spot, checks, reviews audits and investigations.*

*This Article will be applied in accordance with any specific agreement concluded in this respect by the international organisation and the European Union.]*

*[OPTION: not applicable]*

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

### **22.5.1 Findings in this grant**

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<sup>6</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>7</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).

<sup>8</sup> Regulation (EU, EURATOM) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, EURATOM) No 1605/2002 (OJ L 298, 26.10.2012, p. 1).

Findings in checks, reviews, audits or investigations carried out in the context of this grant may lead to the rejection of ineligible costs (see Article 42), reduction of the grant (see Article 43), recovery of undue amounts (see Article 44) or to any of the other measures described in Chapter 6.

Rejection of costs or reduction of the grant after the payment of the balance will lead to a revised final grant amount (see Article 5.4).

Findings in checks, reviews, audits or investigations may lead to a request for amendment for the modification of Annex 1 (see Article 55).

Checks, reviews, audits or investigations that find systemic or recurrent errors, irregularities, fraud or breach of obligations may also lead to consequences in other EU or Euratom grants awarded under similar conditions (**‘extension of findings from this grant to other grants’**).

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

### 22.5.2 Findings in other grants

The Commission [*or the Agency*] may extend findings from other grants to this grant (**‘extension of findings from other grants to this grant’**), if:

- (a) the beneficiary concerned is found, in other EU or Euratom 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 — no later than two years after the payment of the balance of this grant.

The extension of findings may lead to the rejection of costs (see Article 42), reduction of the grant (see Article 43), recovery of undue amounts (see Article 44), suspension of payments (see Article 48), suspension of the action implementation (see Article 49) or termination (see Article 50).

### 22.5.3 Procedure

The Commission [*or the Agency*] will formally notify the beneficiary concerned the systemic or recurrent errors, together with the list of grants affected by the findings.

22.5.3.1 If the findings concern **eligibility of costs**: the formal 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 by the Commission [*or the Agency*] 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.

The beneficiary concerned has 90 days from receiving notification to submit observations, revised financial statements or to propose a duly substantiated **alternative correction method**. This period may be extended by the Commission [*or the Agency*] in justified cases.

The Commission [*or the Agency*] will determine the amounts to be rejected on the basis of the revised financial statements, subject to their approval.

If the Commission [*or the Agency*] does not receive any observations or revised financial statements, does not accept the observations or the proposed alternative correction method or does not approve the revised financial statements, it will formally notify the beneficiary concerned the application of the initially notified correction rate for extrapolation.

If the Commission [*or the Agency*] accepts the alternative correction method proposed by the beneficiary concerned, it will formally notify the application of the accepted alternative correction method.

22.5.3.2 If the findings concern **improper implementation** or a **breach of another obligation**: the formal notification will include:

- (a) an invitation to submit observations on the list of grants affected by the findings and
- (b) the flat-rate the Commission [*or the Agency*] intends to apply according to the principle of proportionality.

The beneficiary concerned has 90 days from receiving notification to submit observations or to propose a duly substantiated alternative flat-rate.

If the Commission [*or the Agency*] does not receive any observations or does not accept the observations or the proposed alternative flat-rate, it will formally notify the beneficiary concerned the application of the initially notified flat-rate.

If the Commission [*or the Agency*] accepts the alternative flat-rate proposed by the beneficiary concerned, it will formally notify the application of the accepted alternative flat-rate.

## 22.6 Consequences of non-compliance

If a beneficiary breaches any of its obligations under this Article, any insufficiently substantiated costs will be ineligible (see Article 6) and will be rejected (see Article 42).

Such breaches may also lead to any of the other measures described in Chapter 6.

## **ARTICLE 23 — EVALUATION OF THE IMPACT OF THE ACTION**

### **23.1 Right to evaluate the impact of the action**

The Commission [*or the Agency*] may carry out interim and final evaluations of the impact of the action measured against the objective of the [EU][Euratom] programme.

Evaluations may be started during implementation of the action and up to [*OPTION by default: five*][*OPTION for low value grants: three*] years after the payment of the balance. The evaluation is considered to start on the date of the formal notification to the coordinator or beneficiaries.

The Commission [*or the Agency*] may make these evaluations directly (using its own staff) or indirectly (using external bodies or persons it has authorised to do so).

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

### **23.2 Consequences of non-compliance**

If a beneficiary breaches any of its obligations under this Article, the Commission [*or the Agency*] may apply the measures described in Chapter 6.

## **SECTION 3 RIGHTS AND OBLIGATIONS RELATED TO BACKGROUND AND RESULTS**

### **SUBSECTION 1 GENERAL**

#### **ARTICLE 23a — MANAGEMENT OF INTELLECTUAL PROPERTY**

Not applicable

### **SUBSECTION 2 RIGHTS AND OBLIGATIONS RELATED TO BACKGROUND**

#### **ARTICLE 24 — AGREEMENT ON BACKGROUND**

Not applicable

#### **ARTICLE 25 — ACCESS RIGHTS TO BACKGROUND**

Not applicable

### **SUBSECTION 3 RIGHTS AND OBLIGATIONS RELATED TO RESULTS**

#### **ARTICLE 26 — OWNERSHIP OF RESULTS**

Not applicable

#### **ARTICLE 27 — PROTECTION OF RESULTS — VISIBILITY OF EU FUNDING**

Not applicable

#### **ARTICLE 28 — EXPLOITATION OF RESULTS**

Not applicable

#### **ARTICLE 29 — DISSEMINATION OF RESULTS — OPEN ACCESS — VISIBILITY OF EU FUNDING**

Not applicable

#### **ARTICLE 30 — TRANSFER AND LICENSING OF RESULTS**

Not applicable

#### **ARTICLE 31 — ACCESS RIGHTS TO RESULTS**

Not applicable

### **SECTION 4 OTHER RIGHTS AND OBLIGATIONS**

#### **ARTICLE 32 — RECRUITMENT AND WORKING CONDITIONS FOR RESEARCHERS**

Not applicable

#### **ARTICLE 33 — GENDER EQUALITY**

Not applicable

#### **ARTICLE 34 — ETHICS**

##### **34.1 General obligation to comply with ethical principles**

The beneficiaries must carry out the action in compliance with:

(a) ethical principles (including the highest standards of research integrity — as set out, for instance, in the European Code of Conduct for Research Integrity<sup>9</sup> — and including, in particular, avoiding fabrication, falsification, plagiarism or other research misconduct) and

(b) applicable international, EU and national law.

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<sup>9</sup> The European Code of Conduct for Research Integrity of ALLEA (All European Academies) and ESF (European Science Foundation) of March 2011.  
[http://www.esf.org/fileadmin/Public\\_documents/Publications/Code\\_Conduct\\_ResearchIntegrity.pdf](http://www.esf.org/fileadmin/Public_documents/Publications/Code_Conduct_ResearchIntegrity.pdf)

Funding will not be granted for activities carried out outside the EU if they are prohibited in all Member States.

The beneficiaries must ensure that the activities under the action have an exclusive focus on civil applications.

The beneficiaries must ensure that the activities under the action do not:

- (a) aim at human cloning for reproductive purposes;
- (b) intend to modify the genetic heritage of human beings which could make such changes heritable (with the exception of research relating to cancer treatment of the gonads, which may be financed), or
- (c) intend to create human embryos solely for the purpose of research or for the purpose of stem cell procurement, including by means of somatic cell nuclear transfer.

### **34.2 Activities raising ethical issues**

Activities raising ethical issues must comply with the ‘**ethics requirements**’ set out in Annex 1.

Before the beginning of an activity raising an ethical issue, the coordinator must submit (see Article 52) to the [Commission][Agency] copy of:

- (a) any ethics committee opinion required under national law and
- (b) any notification or authorisation for activities raising ethical issues required under national law.

If these documents are not in English, the coordinator must also submit an English summary of the submitted opinions, notifications and authorisations (containing, if available, the conclusions of the committee or authority concerned).

If these documents are specifically requested for the action, the request must contain an explicit reference to the action title. The coordinator must submit a declaration by each beneficiary concerned that all the submitted documents cover the action tasks.

### **34.3 Activities involving human embryos or human embryonic stem cells**

*[OPTION for activities potentially involving research on human embryos or human embryonic stem cells: Activities involving research on human embryos or human embryonic stem cells may be carried out only if:*

- *they are set out in Annex 1 or*
- *the coordinator has obtained explicit approval (in writing) from the [Commission][Agency] (see Article 52).]*

*[OPTION: not applicable]*

#### **34.4 Consequences of non-compliance**

If a beneficiary breaches any of its obligations under this Article, the grant may be reduced (see Article 43) and the Agreement or participation of the beneficiary may be terminated (see Article 50).

Such breaches may also lead to any of the other measures described in Chapter 6.

### **ARTICLE 35 — CONFLICT OF INTERESTS**

#### **35.1 Obligation to avoid a conflict of interests**

The beneficiaries must take all measures to prevent any situation where the impartial and objective implementation of the action is compromised for reasons involving economic interest, political or national affinity, family or emotional ties or any other shared interest ('**conflict of interests**').

They must formally notify to the *[Commission][Agency]* without delay any situation constituting or likely to lead to a conflict of interests and immediately take all the necessary steps to rectify this situation.

The *[Commission][Agency]* may verify that the measures taken are appropriate and may require additional measures to be taken by a specified deadline.

#### **35.2 Consequences of non-compliance**

If a beneficiary breaches any of its obligations under this Article, the grant may be reduced (see Article 43) and the Agreement or participation of the beneficiary may be terminated (see Article 50).

Such breaches may also lead to any of the other measures described in Chapter 6.

### **ARTICLE 36 — CONFIDENTIALITY**

#### **36.1 General obligation to maintain confidentiality**

The parties must keep confidential any data, documents or other material (in any form) that is identified as confidential at the time it is disclosed ('**confidential information**').

They may use confidential information to implement the Agreement.

The confidentiality obligations no longer apply if:

- (a) the disclosing party agrees to release the other party;

- (b) the information was already known by the recipient or is given to him without obligation of confidentiality by a third party that was not bound by any obligation of confidentiality;
- (c) the recipient proves that the information was developed without the use of confidential information;
- (d) the information becomes generally and publicly available, without breaching any confidentiality obligation, or
- (e) the disclosure of the information is required by EU or national law.

### **36.2 Consequences of non-compliance**

If a beneficiary breaches any of its obligations under this Article, the grant may be reduced (see Article 43).

Such breaches may also lead to any of the other measures described in Chapter 6.

## **ARTICLE 37 — SECURITY-RELATED OBLIGATIONS**

Not applicable

## **ARTICLE 38 — PROMOTING THE ACTION — VISIBILITY OF EU FUNDING**

### **38.1 Communication activities by beneficiaries**

The beneficiaries must promote the action and its results.

Any communication activity related to the action must:

- (a) display the EU emblem and
- (b) include the following text:

“This project has received funding from the *[European Union’s Horizon 2020 research and innovation programme]**[Euratom research and training programme 2014-2018]* under grant agreement No [number]”.

Any communication activity related to the action must indicate that it reflects only the author’s view and that the *[Commission]**[Agency]* is not responsible for any use that may be made of the information it contains.

### **38.2 Communication activities by the *[Commission]**[Agency]***

Not applicable



### 38.3 Consequences of non-compliance

If a beneficiary breaches any of its obligations under this Article, the grant may be reduced (see Article 43).

Such breaches may also lead to any of the other measures described in Chapter 6.

## ARTICLE 39 — PROCESSING OF PERSONAL DATA

Not applicable

## ARTICLE 40 — ASSIGNMENTS OF CLAIMS FOR PAYMENT AGAINST THE [COMMISSION][AGENCY]

The beneficiaries may not assign any of their claims for payment against the [Commission][Agency] to any third party, except if approved by the [Commission][Agency] on the basis of a reasoned, written request by the coordinator (on behalf of the beneficiary concerned).

If the [Commission][Agency] has not accepted the assignment or 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 [Commission][Agency].

## CHAPTER 5 DIVISION OF BENEFICIARIES' ROLES AND RESPONSIBILITIES [— RELATIONSHIP WITH COMPLEMENTARY BENEFICIARIES] [— RELATIONSHIP WITH PARTNERS OF A JOINT ACTION]

### ARTICLE 41 — DIVISION OF BENEFICIARIES' ROLES AND RESPONSIBILITIES [— RELATIONSHIP WITH COMPLEMENTARY BENEFICIARIES] [— RELATIONSHIP WITH PARTNERS OF A JOINT ACTION]

#### 41.1 Roles and responsibilities towards the [Commission][Agency]

The beneficiaries have full responsibility for implementing the action and complying with the Agreement.

The beneficiaries are jointly and severally liable for the **technical implementation** of the action as described in Annex 1. If a beneficiary fails to implement its part of the action, the other beneficiaries become responsible for implementing this part (without being entitled to any additional EU funding for doing so), unless the [Commission][Agency] expressly relieves them of this obligation.

The **financial responsibility** of each beneficiary is governed by Articles 44, 45 and 46.

## 41.2 Internal division of roles and responsibilities

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

(a) Each **beneficiary** must:

- (i) keep information stored in the Beneficiary Register (in the electronic exchange system) up to date (see Article 17);
- (ii) inform the coordinator immediately of any events or circumstances likely to affect significantly or delay the implementation of the action (see Article 17);
- (iii) submit to the coordinator in good time:
  - individual financial statements for itself *[and its linked third parties]* and, if required, certificates on the financial statements (see Article 20);
  - the data needed to draw up the technical reports (see Article 20);
  - ethics committee opinions and notifications or authorisations for activities raising ethical issues (see Article 34);
  - any other documents or information required by the *[Commission][Agency]* under the Agreement, unless the Agreement requires the beneficiary to submit this information directly to the *[Commission][Agency]*.

(b) The **coordinator** must:

- (i) monitor that the action is implemented properly (see Article 7);
- (ii) act as the intermediary for all communications between the beneficiaries and the *[Commission][Agency]* (in particular, providing the *[Commission][Agency]* with the information described in Article 17), unless the Agreement specifies otherwise;
- (iii) request and review any documents or information required by the *[Commission][Agency]* and verify their completeness and correctness before passing them on to the *[Commission][Agency]*;
- (iv) submit the deliverables and reports to the *[Commission][Agency]* (see Articles 19 and 20);
- (v) ensure that all payments are made to the other beneficiaries without unjustified delay (see Article 21);
- (vi) inform the *[Commission][Agency]* of the amounts paid to each beneficiary, when required under the Agreement (see Articles 44 and 50) or requested by the *[Commission][Agency]*.

The coordinator may not delegate the above-mentioned tasks to any other beneficiary or subcontract them to any third party.

*[OPTION to be used when the coordinator is a secondary or higher education establishment or public body and there is an ‘authorisation to administer’ given to a third party created, controlled or affiliated to the coordinator: As an exception, the coordinator delegates the tasks set out in Point 2(b)(v) and (vi) above to [insert name of third party with an authorisation to administer]. The coordinator retains sole responsibility for the EU contribution and for compliance with the obligations under the Agreement.]*

#### **41.3 Internal arrangements between beneficiaries — Consortium agreement**

*[OPTION to be used, unless the work programme specifies that there is no need for a consortium agreement: The beneficiaries must have internal arrangements regarding their operation and co-ordination to ensure that the action is implemented properly. These internal arrangements must be set out in a written ‘consortium agreement’ between the beneficiaries, which may cover:*

- *internal organisation of the consortium;*
- *management of access to the electronic exchange system;*
- *distribution of EU funding;*
- *additional rules on rights and obligations related to background and results (including whether access rights remain or not, if a beneficiary is in breach of its obligations) (see Section 3);*
- *settlement of internal disputes;*
- *liability, indemnification and confidentiality arrangements between the beneficiaries.*

*The consortium agreement must not contain any provision contrary to the Agreement.*

*[OPTION: not applicable]*

#### **41.4 Relationship with complementary beneficiaries — Collaboration agreement**

*[OPTION for complementary grants if foreseen in the work programme: The beneficiaries must conclude a written ‘collaboration agreement’ with the complementary beneficiaries to coordinate the work under the Agreement and the complementary grant agreement(s) (see Article 2), covering for instance:*

- *efficient decision making processes and*
- *settlement of disputes.*

*The coordination agreement must not contain any provision contrary to the Agreement.*

*The beneficiaries and complementary beneficiaries must create and participate in common boards and advisory structures to decide on collaboration and synchronisation of activities, including on management of outcomes, common approaches towards standardisation, SME involvement, links with regulatory and policy activities, and commonly shared dissemination and awareness raising activities.*

*The beneficiaries must give access to their results to the complementary beneficiaries, for the purposes of the complementary grant agreement(s) (see Article 31.6).*

*The beneficiaries must share the technical reports (see Article 20.3 and 20.4). The confidentiality obligations in Article 36 apply.]*

*[OPTION: not applicable]*

#### **41.5 Relationship with partners of a joint action — Coordination agreement**

*[OPTION for joint actions (joint call with a third country or an international organisation): The beneficiaries must conclude a ‘coordination agreement’ with the partners of the third country or international organisation action (see Article 2), covering for instance:*

- *the internal organisation of the beneficiaries in both actions, including the decision making procedures;*
- *rules on intellectual property rights (for example regarding protection, dissemination, use and access rights);*
- *the settlement of internal disputes;*
- *liability, indemnification and confidentiality arrangements between the beneficiaries in both actions.*

*The coordination agreement must not contain any provision contrary to the Agreement.]*

*[OPTION: not applicable]*

## **CHAPTER 6 REJECTION OF COSTS — REDUCTION OF THE GRANT — RECOVERY — PENALTIES — DAMAGES — SUSPENSION — TERMINATION — FORCE MAJEURE**

### **SECTION 1 REJECTION OF COSTS — REDUCTION OF THE GRANT — RECOVERY — PENALTIES**

#### **ARTICLE 42 — REJECTION OF INELIGIBLE COSTS**

##### **42.1 Conditions**

42.1.1 The *[Commission][Agency]* will — at the time of an **interim payment, at the payment of the balance or afterwards** — reject any costs which are ineligible (see Article 6), in particular following checks, reviews, audits or investigations (see Article 22).

42.1.2 The rejection may also be based on the **extension of findings from other grants to this grant**, under the conditions set out in Article 22.5.2.

## 42.2 Ineligible costs to be rejected — Calculation — Procedure

Ineligible costs will be rejected proportionally to the tasks or parts of the action not implemented.

If the *[Commission][Agency]* rejects costs **without reduction of the grant** (see Article 43) or **recovery of undue amounts** (see Article 44), it will formally notify the coordinator or beneficiary concerned the rejection of costs, the amounts and the reasons why (if applicable, together with the notification of amounts due; see Article 21.5). The coordinator or beneficiary concerned may — within 30 days of receiving notification — formally notify the *[Commission][Agency]* of its disagreement and the reasons why.

If the *[Commission][Agency]* rejects costs **with reduction of the grant or recovery of undue amounts**, it will formally notify the rejection in the ‘**pre-information letter**’ on reduction or recovery set out in Articles 43 and 44.

## 42.3 Effects

If the *[Commission][Agency]* rejects costs at the time of an **interim payment or the payment of the balance**, it will deduct them from the total eligible costs declared, for the action, in the periodic or final summary financial as set out in Articles 21.3 or 21.4. statement (see Articles 20.3 and 20.4). It will then calculate the interim payment or payment of the balance.

If the *[Commission][Agency]* — **after an interim payment but before the payment of the balance** — rejects costs declared in a periodic summary financial statement, it will deduct them from the total eligible costs declared, for the action, in the next periodic summary financial statement or in the final summary financial statement. It will then calculate the interim payment or payment of the balance as set out in Articles 21.3 or 21.4.

If the *[Commission][Agency]* rejects costs **after the payment of the balance**, it will deduct the amount rejected from the total eligible costs declared, by the beneficiary, in the final summary financial statement. It will then calculate the revised final grant amount as set out in Article 5.4.

## ARTICLE 43 — REDUCTION OF THE GRANT

### 43.1 Conditions

43.1.1 The *[Commission][Agency]* may — **at the payment of the balance or afterwards** — reduce the maximum grant amount (see Article 5.1), if the action has not been implemented

properly as described in Annex 1 or another obligation under the Agreement has been breached.

43.1.2 The *[Commission][Agency]* may also reduce the maximum grant amount on the basis of the **extension of findings from other grants to this grant**, under the conditions set out in Article 22.5.2.

#### **43.2 Amount to be reduced — Calculation — Procedure**

The amount of the reduction will be proportionate to the improper implementation of the action or to the seriousness of the breach.

Before reduction of the grant, the *[Commission][Agency]* will formally notify a ‘**pre-information letter**’ to the coordinator or beneficiary concerned:

- informing it of its intention to reduce the grant, the amount it intends to reduce and the reasons why and
- inviting it to submit observations within 30 days of receiving notification.

If the *[Commission][Agency]* does not receive any observations or decides to pursue reduction despite the observations it has received, it will formally notify **confirmation** of the reduction (if applicable, together with the notification of amounts due; see Article 21).

#### **43.3 Effects**

If the *[Commission][Agency]* reduces the grant at the time of **the payment of the balance**, it will calculate the reduced grant amount for the action and then determine the amount due as payment of the balance (see Articles 5.3.4 and 21.4).

If the *[Commission][Agency]* reduces the grant **after the payment of the balance**, it will calculate the revised final grant amount for the beneficiary concerned (see Article 5.4). If the revised final grant amount for the beneficiary concerned is lower than its share of the final grant amount, the *[Commission][Agency]* will recover the difference (see Article 44).

### **ARTICLE 44 — RECOVERY OF UNDUE AMOUNTS**

#### **44.1 Amount to be recovered — Calculation — Procedure**

The *[Commission][Agency]* will — after **termination of the participation of a beneficiary, at the payment of the balance or afterwards** — recover any amount that was paid but is not due under the Agreement.

Each beneficiary’s financial responsibility in case of recovery is limited to its own debt *[OPTION if Article 14 applies: (including undue amounts paid by the [Commission][Agency] for costs declared by its linked third parties)]*, except for the amount retained for the Guarantee Fund (see Article 21.4).

#### 44.1.1 Recovery after termination of a beneficiary's participation

If recovery takes place after termination of a beneficiary's participation (including the coordinator), the [Commission][Agency] will recover the undue amount from the beneficiary concerned by formally notifying it a debit note (see Article 50.2 and 50.3). This note will specify the amount to be recovered, the terms and the date for payment.

If payment is not made by the date specified in the debit note, the [Commission][Agency] will **recover** the amount:

- (a) by '**offsetting**' it — without the beneficiary's consent — against any amounts owed to the beneficiary concerned by the Commission or an executive agency (from the EU or Euratom budget).

In exceptional circumstances, to safeguard the EU's financial interests, the [Commission][Agency] may offset before the payment date specified in the debit note;

- (b) **[OPTION if Article 14 applies and joint and several liability has been requested by the [Commission][Agency]: if a linked third party has accepted joint and several liability (see Article 14), by holding the third party liable up to the maximum EU contribution indicated, for the linked third party, in the estimated budget (see Annex 2) and/or][OPTION: not applicable, and/or]**

- (c) by **taking legal action** or by **adopting an enforceable decision** under Article 299 of the Treaty on the Functioning of the EU (TFEU) [and Article 106a of the Euratom Treaty] (see Article 57).

If payment is not made by the date specified in the debit note, the amount to be recovered (see above) will be increased by **late-payment interest** at the rate set out in Article 21.11, from the day following the payment date in the debit note, up to and including the date the [Commission][Agency] receives full payment of the amount.

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 2007/64/EC<sup>10</sup> applies.

#### 44.1.2 Recovery at payment of the balance

If the payment of the balance takes the form of a recovery (see Article 21.4), the [Commission][Agency] will formally notify a '**pre-information letter**' to the coordinator:

- informing it of its intention to recover, the amount due as the balance and the reasons why;

<sup>10</sup> Directive 2007/64/EC of the European Parliament and of the Council of 13 November 2007 on payment services in the internal market amending Directives 97/7/EC, 2002/65/EC, 2005/60/EC and 2006/48/EC and repealing Directive 97/5/EC (OJ L 319, 05.12.2007, p. 1).

- specifying that it intends to deduct the amount to be recovered from the amount retained for the Guarantee Fund;
- requesting the coordinator to submit a report on the distribution of payments to the beneficiaries within 30 days of receiving notification, and
- inviting the coordinator to submit observations within 30 days of receiving notification.

If no observations are submitted or the [Commission][Agency] decides to pursue recovery despite the observations it has received, it will **confirm recovery** (together with the notification of amounts due; see Article 21.5) and:

- pay the difference between the amount to be recovered and the amount retained for the Guarantee Fund, **if the difference is positive** or
- formally notify to the coordinator a **debit note** for the difference between the amount to be recovered and the amount retained for the Guarantee Fund, **if the difference is negative**. This note will also specify the terms and the date for payment.

If the coordinator does not repay the [Commission][Agency] by the date in the debit note and has not submitted the report on the distribution of payments: the [Commission][Agency] will **recover** the amount set out in the debit note from the coordinator (see below).

If the coordinator does not repay the [Commission][Agency] by the date in the debit note, but has submitted the report on the distribution of payments: the [Commission][Agency] will:

- (a) identify the beneficiaries for which the amount calculated as follows is negative:

{ { {beneficiary's costs declared in the final summary financial statement and approved by the [Commission][Agency] multiplied by the reimbursement rate set out in Article 5.2 for the beneficiary concerned

[plus

its linked third parties' costs declared in the final summary financial statement and approved by the [Commission][Agency] multiplied by the reimbursement rate set out in Article 5.2 for each linked third party concerned} }

divided by

the EU contribution for the action calculated according to Article 5.3.1 }

multiplied by

the final grant amount (see Article 5.3) },

minus



{pre-financing and interim payments received by the beneficiary} }.

- (b) formally notify to each beneficiary identified according to point (a) a **debit note** specifying the terms and date for payment. The amount of the debit note is calculated as follows:

{ {amount calculated according to point (a) for the beneficiary concerned

divided by

the sum of the amounts calculated according to point (a) for all the beneficiaries identified according to point (a)}

multiplied by

the amount set out in the debit note formally notified to the coordinator }.

If payment is not made by the date specified in the debit note, the [Commission][Agency] will **recover** the amount:

- (a) by **offsetting** it — without the beneficiary’s consent — against any amounts owed to the beneficiary concerned by the Commission or an executive agency (from the EU or Euratom budget).

In exceptional circumstances, to safeguard the EU’s financial interests, the [Commission][Agency] may offset before the payment date specified in the debit note;

- (b) by **drawing on the Guarantee Fund**. The [Commission][Agency] will formally notify the beneficiary concerned the debit note on behalf of the Guarantee Fund and recover the amount:

(i) *[OPTION if Article 14 applies and joint and several liability has been requested by the [Commission][Agency]: if a linked third party has accepted joint and several liability (see Article 14), by **holding the third party liable up to the maximum EU contribution indicated, for the linked third party, in the estimated budget (see Annex 2) and/or**[OPTION: not applicable]*

(ii) by **taking legal action** or by **adopting an enforceable decision** under Article 299 of the Treaty on the Functioning of the EU (TFEU) [and Article 106a of the Euratom Treaty] (see Article 57).

If payment is not made by the date in the debit note, the amount to be recovered (see above) will be increased by **late-payment interest** at the rate set out in Article 21.11, from the day following the payment date in the debit note, up to and including the date the [Commission][Agency] receives full payment of the amount.

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 2007/64/EC applies.

#### 44.1.3 Recovery of amounts after payment of the balance

If, for a beneficiary, the revised final grant amount (see Article 5.4) is lower than its share of the final grant amount, it must repay the difference to the [Commission][Agency].

The beneficiary's share of the final grant amount is calculated as follows:

{ { beneficiary's costs declared in the final summary financial statement and approved by the [Commission][Agency] multiplied by the reimbursement rate set out in Article 5.2 for the beneficiary concerned

[plus

its linked third parties' costs declared in the final summary financial statement and approved by the [Commission][Agency] multiplied by the reimbursement rate set out in Article 5.2 for each linked third party concerned} }

divided by

the EU contribution for the action calculated according to Article 5.3.1 }

multiplied by

the final grant amount (see Article 5.3) }.

If the coordinator has not distributed amounts received (see Article 21.7), the Commission will also recover these amounts.

The [Commission][Agency] will formally notify a **pre-information letter** to the beneficiary concerned:

- informing it of its intention to recover, the due amount and the reasons why and
- inviting it to submit observations within 30 days of receiving notification.

If no observations are submitted or the [Commission][Agency] decides to pursue recovery despite the observations it has received, it will **confirm** the amount to be recovered and formally notify to the beneficiary concerned a **debit note**. This note will also specify the terms and the date for payment.

If payment is not made by the date specified in the debit note, the [Commission][Agency] will **recover** the amount:

- (a) by **offsetting** it — without the beneficiary's consent — against any amounts owed to the beneficiary concerned by the Commission or an executive agency (from the EU or Euratom budget).

In exceptional circumstances, to safeguard the EU's financial interests, the [Commission][Agency] may offset before the payment date specified in the debit note;

- (b) by **drawing on the Guarantee Fund**. The [Commission][Agency] will formally notify the beneficiary concerned the debit note on behalf of the Guarantee Fund and recover the amount:
- (i) ***[OPTION if Article 14 applies and joint and several liability has been requested by the [Commission][Agency]: if a linked third party has accepted joint and several liability (see Article 14), by holding the third party liable up to the maximum EU contribution indicated, for the linked third party, in the estimated budget (see Annex 2) and/or [OPTION: not applicable]***
  - (ii) by **taking legal action** or by **adopting an enforceable decision** under Article 299 of the Treaty on the Functioning of the EU (TFEU) [and Article 106a of the Euratom Treaty] (see Article 57).

If payment is not made by the date in the debit note, the amount to be recovered (see above) will be increased by **late-payment interest** at the rate set out in Article 21.11, from the day following the date for payment in the debit note, up to and including the date the [Commission][Agency] receives full payment of the amount.

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 2007/64/EC applies.

## **ARTICLE 45 — ADMINISTRATIVE AND FINANCIAL PENALTIES**

### **45.1 Conditions**

Under Articles 109 and 131(4) of the Financial Regulation No 966/2012, the [Commission][Agency] may impose **administrative** and **financial penalties** if a beneficiary:

- (a) has committed substantial errors, irregularities or fraud or is in serious breach of its obligations under the Agreement or
- (b) has made false declarations about information required under the Agreement or for the submission of the proposal (or has not supplied such information).

Each beneficiary is responsible for paying the financial penalties imposed on it.

Under Article 109(3) of the Financial Regulation No 966/2012, the [Commission][Agency] may — under certain conditions and limits — publish decisions imposing administrative or financial penalties.

## 45.2 Duration — Amount of penalty — Calculation

**Administrative penalties** exclude the beneficiary from all contracts and grants financed from the EU or Euratom budget for a maximum of five years from the date the infringement is established by the [Commission][Agency].

If the beneficiary commits another infringement within five years of the date the first infringement is established, the [Commission][Agency] may extend the exclusion period up to 10 years.

**Financial penalties** will be between 2% and 10% of the maximum EU contribution indicated, for the beneficiary concerned, in the estimated budget (see Annex 2).

If the beneficiary commits another infringement within five years of the date the first infringement is established, the [Commission][Agency] may increase the rate of financial penalties to between 4% and 20%.

## 45.3 Procedure

Before applying a penalty, the [Commission][Agency] will formally notify the beneficiary concerned:

- informing it of its intention to impose a penalty, its duration or amount and the reasons why and
- inviting it to submit observations within 30 days.

If the [Commission][Agency] does not receive any observations or decides to impose the penalty despite of observations it has received, it will formally notify **confirmation** of the penalty to the beneficiary concerned and — in case of financial penalties — deduct the penalty from the payment of the balance or formally notify a **debit note**, specifying the amount to be recovered, the terms and the date for payment.

If payment is not made by the date specified in the debit note, the [Commission][Agency] may **recover** the amount:

- (a) by **offsetting** it — without the beneficiary's consent — against any amounts owed to the beneficiary concerned by the Commission or an executive agency (from the EU or Euratom budget).

In exceptional circumstances, to safeguard the EU's financial interests, the [Commission][Agency] may offset before the payment date in the debit note;

- (b) by **taking legal action** or by **adopting an enforceable decision** under Article 299 of the Treaty on the Functioning of the EU (TFEU) [and Article 106a of the Euratom Treaty] (see Article 57).

If payment is not made by the date in the debit note, the amount to be recovered (see above) will be increased by **late-payment interest** at the rate set out in Article 21.11, from the day following the payment date in the debit note, up to and including the date the [Commission][Agency] receives full payment of the amount.

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 2007/64/EC applies.

## **SECTION 2 LIABILITY FOR DAMAGES**

### **ARTICLE 46 — LIABILITY FOR DAMAGES**

#### **46.1 Liability of the [Commission][Agency]**

The [Commission][Agency] cannot be held liable for any damage caused to the beneficiaries or to third parties as a consequence of implementing the Agreement, including for gross negligence.

The [Commission][Agency] cannot be held liable for any damage caused by any of the beneficiaries or third parties involved in the action, as a consequence on implementing the Agreement.

#### **46.2 Liability of the beneficiaries**

##### **46.2.1 Conditions**

Except in case of force majeure (see Article 51), the beneficiaries must compensate the [Commission][Agency] 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.

Each beneficiary is responsible for paying the damages claimed from it.

##### **46.2.2 Amount of damages — Calculation**

The amount the [Commission][Agency] can claim from a beneficiary will correspond to the damage caused by that beneficiary.

##### **46.2.3 Procedure**

Before claiming damages, the [Commission][Agency] will formally notify the beneficiary concerned:

- informing it of its intention to claim damages, the amount and the reasons why and
- inviting it to submit observations within 30 days.

If the *[Commission]*/*[Agency]* does not receive any observations or decides to claim damages despite the observations it has received, it will formally notify **confirmation** of the claim for damages and a **debit note**, specifying the amount to be recovered, the terms and the date for payment.

If payment is not made by the date specified in the debit note, the *[Commission]*/*[Agency]* may **recover** the amount:

- (a) by **offsetting** it — without the beneficiary’s consent — against any amounts owed to the beneficiary concerned by the Commission or an executive agency (from the EU or Euratom budget).

In exceptional circumstances, to safeguard the EU’s financial interests, the *[Commission]*/*[Agency]* may offset before the payment date in the debit note;

- (b) by **taking legal action** or by **adopting an enforceable decision** under Article 299 of the Treaty on the Functioning of the EU (TFEU) *[and Article 106a of the Euratom Treaty]* (see Article 57).

If payment is not made by the date in the debit note, the amount to be recovered (see above) will be increased by **late-payment interest** at the rate set out in Article 21.11, from the day following the payment date in the debit note, up to and including the date the *[Commission]*/*[Agency]* receives full payment of the amount.

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 2007/64/EC applies.

## **SECTION 3 SUSPENSION AND TERMINATION**

### **ARTICLE 47 — SUSPENSION OF PAYMENT DEADLINE**

#### **47.1 Conditions**

The *[Commission]*/*[Agency]* may — at any moment — suspend the payment deadline (see Article 21.2 to 21.4) if a request for payment (see Article 20) cannot be approved because:

- (a) it does not comply with the provisions of the Agreement (see Article 20);
- (b) the technical reports or financial reports have not been submitted or are not complete or additional information is needed, or
- (c) there is doubt about the eligibility of the costs declared in the financial statements and additional checks, reviews, audits or investigations are necessary.

## 47.2 Procedure

The *[Commission][Agency]* will formally notify the coordinator of the suspension and the reasons why.

The suspension will **take effect** the day notification is sent by the *[Commission][Agency]* (see Article 52).

If the conditions for suspending the payment deadline are no longer met, the suspension will be **lifted** — and the remaining period will resume.

If the suspension exceeds two months, the coordinator may request the *[Commission][Agency]* if the suspension will continue.

If the payment deadline has been suspended due to the non-compliance of the technical or financial reports (see Article 20) and the revised report or statement is not submitted or was submitted but is also rejected, the *[Commission][Agency]* may also terminate the Agreement or the participation of the beneficiary (see Article 50.3.1(1)).

## ARTICLE 48 — SUSPENSION OF PAYMENTS

### 48.1 Conditions

The *[Commission][Agency]* may — at any moment — suspend, in whole or in part, the pre-financing payment and interim payments for one or more beneficiaries or the payment of the balance for all beneficiaries, if a beneficiary:

- (a) has committed or is suspected of having committed substantial errors, irregularities, fraud or serious breach of obligations in the award procedure or under this Agreement or
- (b) has committed — in other EU or Euratom 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 from other grants to this grant**; see Article 22.5.2).

### 48.2 Procedure

Before suspending payments, the *[Commission][Agency]* will formally notify the coordinator:

- informing it of its intention to suspend payments and the reasons why and
- inviting it to submit observations within 30 days of receiving notification.

If the *[Commission][Agency]* does not receive observations or decides to pursue the procedure despite the observations it has received, it will formally notify **confirmation** of the suspension. Otherwise, it will formally notify that the suspension procedure is not continued.

The suspension will **take effect** the day the confirmation notification is sent by the [Commission][Agency].

If the conditions for resuming payments are met, the suspension will be **lifted**. The Commission will formally notify the coordinator.

During the suspension, the periodic report(s) (see Article 20.3) must not contain any individual financial statements from the beneficiary concerned [and its linked third parties]. When the [Commission][Agency] resumes payments, the coordinator may include them in the next periodic report.

The beneficiaries may suspend implementation of the action (see Article 49.1) or terminate the Agreement or the participation of the beneficiary concerned (see Article 50.1 and 50.2).

## ARTICLE 49 — SUSPENSION OF THE ACTION IMPLEMENTATION

### 49.1 Suspension of the action implementation, by the beneficiaries

#### 49.1.1 Conditions

The beneficiaries may suspend implementation of the action or any part of it, if exceptional circumstances — in particular *force majeure* (see Article 51) — make implementation impossible or excessively difficult.

#### 49.1.2 Procedure

The coordinator must immediately formally notify to the [Commission][Agency] the suspension (see Article 52), stating:

- the reasons why and
- the expected date of resumption.

The suspension will **take effect** the day this notification is received by the [Commission][Agency].

Once circumstances allow for implementation to resume, the coordinator must immediately formally notify the [Commission][Agency] and request an **amendment** of the Agreement to set the date on which the action will be resumed, extend the duration of the action and make other changes necessary to adapt the action to the new situation (see Article 55) — unless the Agreement or the participation of a beneficiary has been terminated (see Article 50).

The suspension will be **lifted** with effect from the resumption date set out in the amendment. This date may be before the date on which the amendment enters into force.

Costs incurred during suspension of the action implementation are not eligible (see Article 6).



## 49.2 Suspension of the action implementation, by the [Commission][Agency]

### 49.2.1 Conditions

The [Commission][Agency] may suspend implementation of the action or any part of it:

- (a) if a beneficiary has committed or is suspected of having committed substantial errors, irregularities, fraud or serious breach of obligations in the award procedure or under this Agreement;
- (b) if a beneficiary has committed — in other EU or Euratom 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 from other grants to this grant**; see Article 22.5.2), or
- (c) if the action is suspected of having lost its scientific or technological relevance.

### 49.2.2 Procedure

Before suspending implementation of the action, the [Commission][Agency] will formally notify the coordinator:

- informing it of its intention to suspend the implementation and the reasons why and
- inviting it to submit observations within 30 days of receiving notification.

If the [Commission][Agency] does not receive observations or decides to pursue the procedure despite the observations it has received, it will formally notify **confirmation** of the suspension. Otherwise, it will formally notify that the procedure is not continued.

The suspension will **take effect** five days after confirmation notification is received by the coordinator (or on a later date specified in the notification).

It will be **lifted** if the conditions for resuming implementation of the action are met.

The coordinator will be formally notified of the lifting and the Agreement will be **amended** to set the date on which the action will be resumed, extend the duration of the action and make other changes necessary to adapt the action to the new situation (see Article 55) — unless the Agreement has already been terminated (see Article 50).

The suspension will be lifted with effect from the resumption date set out in the amendment. This date may be before the date on which the amendment enters into force.

Costs incurred during suspension are not eligible (see Article 6).

The beneficiaries may not claim damages due to suspension by the [Commission][Agency] (see Article 46).

Suspension of the action implementation does not affect the *[Commission's][Agency's]* right to terminate the Agreement or participation of a beneficiary (see Article 50), reduce the grant or recover amounts unduly paid (see Articles 43 and 44).

## **ARTICLE 50 — TERMINATION OF THE AGREEMENT OR OF PARTICIPATION FOR ONE OR MORE BENEFICIARIES**

### **50.1 Termination of the Agreement, by the beneficiaries**

#### **50.1.1 Conditions and procedure**

The beneficiaries may terminate the Agreement.

The coordinator must formally notify termination to the *[Commission][Agency]* (see Article 52), stating:

- the reasons why and
- the date the termination will take effect. This date must be after the notification.

If no reasons are given or if the *[Commission][Agency]* considers the reasons do not justify termination, the Agreement will be considered to have been '**terminated improperly**'.

The termination will **take effect** on the day specified in the notification.

#### **50.1.2 Effects**

If the *[Commission][Agency]* does not receive the report within the deadline (see above), no costs will be reimbursed.

The *[Commission][Agency]* will **calculate the final grant amount** (see Article 5.3) and the balance (see Article 21), on the basis of the report submitted, the eligible costs and compliance with other obligations under the Agreement.

In case of **improper termination**, the grant will be reduced by 100% (see Article 43).

### **50.2 Termination of participation for one or more beneficiaries, by the beneficiaries**

#### **50.2.1 Conditions and procedure**

The participation of one or more beneficiaries may be terminated by the coordinator, on request of the beneficiary concerned or on behalf of the other beneficiaries.

The coordinator must formally notify termination to the *[Commission][Agency]* (see Article 52) and inform the beneficiary concerned.

If the coordinator's participation is terminated without its agreement, the formal notification must be done by another beneficiary (acting on behalf of the other beneficiaries).

The notification must include:

- the reasons why;
- the opinion of the beneficiary concerned (or proof that this opinion has been requested in writing);
- the date the termination takes effect. This date must be after the notification, and
- a request for amendment (see Article 55), with a proposal for reallocation of the tasks and the estimated budget of the beneficiary concerned (see Annexes 1 and 2) and, if necessary, the addition of one or more new beneficiaries (see Article 56). If termination takes effect after the period set out in Article 3, no request for amendment must be included unless the beneficiary concerned is the coordinator. In this case, the request for amendment must propose a new coordinator.

If this information is not given or if the *[Commission][Agency]* considers that the reasons do not justify termination, the participation will be considered to have been **terminated improperly**.

The termination will **take effect** on the day specified in the notification.

### 50.2.2 Effects

The coordinator must — within 30 days from when termination takes effect — submit:

- (i) a report on the distribution of payments to the beneficiary concerned and
- (ii) if termination takes effect during the period set out in Article 3, a ‘**termination report**’ from the beneficiary concerned, for the open reporting period until termination, containing an overview of the progress of the work, an overview of the use of resources, the individual financial statement and, if applicable, the certificate on the financial statement (see Article 20.3 and 20.4).

The information in the termination report must also be included in the periodic report for the next reporting period (see Article 20.3).

If the request for amendment is rejected by the *[Commission][Agency]* because it calls into question the decision awarding the grant or breaches the principle of equal treatment of applicants the Agreement may be terminated according to Article 50.3.1(c).

If the request for amendment is accepted by the *[Commission][Agency]*, the Agreement is **amended** to introduce the necessary changes (see Article 55).

The *[Commission][Agency]* will **calculate** — on the basis of the periodic reports, the termination report and the report on the distribution of payments — if the (pre-financing and interim) payments received by the beneficiary concerned exceed the beneficiary’s EU contribution (calculated by applying the reimbursement rate(s) to the eligible costs declared

by the beneficiary *[and its linked third parties]* and approved by the *[Commission][Agency]*. Only costs incurred by the beneficiary concerned until termination takes effect are eligible (see Article 6). Costs relating to contracts due for execution only after termination are not eligible.

If the payments received **exceed the amounts due**:

- if termination takes effect during the period set out in Article 3 and the request for amendment is accepted, the beneficiary concerned must repay to the coordinator the amount unduly received. The *[Commission][Agency]* will formally notify the amount unduly received and request the beneficiary concerned to repay it to the coordinator within 30 days of receiving notification. If it does not repay the coordinator, the *[Commission][Agency]* will draw upon the Guarantee Fund to pay the coordinator and then notify a **debit note** on behalf of the Guarantee Fund to the beneficiary concerned (see Article 44);
- in all other cases (in particular if termination takes effect after the period set out in Article 3), the *[Commission][Agency]* will formally notify a **debit note** to the beneficiary concerned. If payment is not made by the date in the debit note, the Guarantee Fund will pay to the *[Commission][Agency]* the amount due and the *[Commission][Agency]* will notify a debit note on behalf of the Guarantee Fund to the beneficiary concerned (see Article 44);
- if the beneficiary concerned is the former coordinator, it must repay the new coordinator the amount unduly received, unless:
  - termination takes effect after an interim payment and
  - the former coordinator has not distributed amounts received as pre-financing or interim payments (see Article 21.7).

In this case, the *[Commission][Agency]* will formally notify a **debit note** to the former coordinator. If payment is not made by the date in the debit note, the Guarantee Fund will pay to the *[Commission][Agency]* the amount due. The *[Commission][Agency]* will then pay the new coordinator and notify a debit note on behalf of the Guarantee Fund to the former coordinator (see Article 44).

If the payments received **do not exceed the amounts due**: amounts owed to the beneficiary concerned will be included in the next interim or final payment.

If the *[Commission][Agency]* does not receive the termination report within the deadline (see above), only costs included in an approved periodic report will be taken into account.

If the *[Commission][Agency]* does not receive the report on the distribution of payments within the deadline (see above), it will consider that:

- the coordinator did not distribute any payment to the beneficiary concerned and that
- the beneficiary concerned must not repay any amount to the coordinator.

Improper termination may lead to a reduction of the grant (see Article 43) or termination of the Agreement (see Article 50).

After termination, the concerned beneficiary's obligations (in particular Articles 20, 22, 23, Section 3 of Chapter 4, 36, 37, 38 and 40) continue to apply.

### **50.3 Termination of the Agreement or participation for one or more beneficiaries, by the [Commission][Agency]**

#### **50.3.1 Conditions**

The [Commission][Agency] may terminate the Agreement or the participation of one or more beneficiaries, if:

- (a) one or more beneficiaries do not accede to the Agreement (see Article 56);
- (b) a change to their legal, financial, technical, organisational or ownership situation *[(or those of its linked third parties)]* is likely to substantially affect or delay the implementation of the action or calls into question the decision to award the grant;
- (c) following termination of participation for one or more beneficiaries (see above), the necessary changes to the Agreement would call into question the decision awarding the grant or breach the principle of equal treatment of applicants (see Article 55);
- (d) implementation of the action is prevented by force majeure (see Article 51) or suspended by the coordinator (see Article 49.1) and either:
  - (i) resumption is impossible, or
  - (ii) the necessary changes to the Agreement would call into question the decision awarding the grant or breach the principle of equal treatment of applicants;
- (e) a beneficiary is declared bankrupt, being wound up, having its affairs administered by the courts, has entered into an arrangement with creditors, has suspended business activities, or is subject to any other similar proceedings or procedures under national law;
- (f) a beneficiary (or a natural person who has the power to represent or take decisions on its behalf) has been found guilty of professional misconduct, proven by any means;
- (g) a beneficiary does not comply with the applicable national law on taxes and social security;
- (h) the action has lost scientific or technological relevance;
- (i) **[OPTION for joint actions (joint call with a third country or an international organisation):** *the third country or international organisation action (see Article 2) has not started by the date specified in Annex 1.***[[OPTION: not applicable];**

- (j) *[OPTION for joint actions (joint call with a third country or an international organisation): the third country or international organisation action (see Article 2) is terminated or can no longer contribute to the action][OPTION: not applicable];*
- (k) a beneficiary (or a natural person who has the power to represent or take decisions on its behalf) has committed fraud, corruption, or is involved in a criminal organisation, money laundering or any other illegal activity affecting the EU's financial interests;
- (l) a beneficiary (or a natural person who has the power to represent or take decisions on its behalf) has — in the award procedure or under the Agreement — committed:
- (i) substantial errors, irregularities, fraud or
  - (ii) serious breach of obligations, including improper implementation of the action, submission of false information, failure to provide required information, breach of ethical principles;
- (m) a beneficiary has committed — in other EU or Euratom 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 from other grants to this grant'**).

### 50.3.2 Procedure

Before terminating the Agreement or participation of one or more beneficiaries, the [Commission][Agency] will formally notify the coordinator:

- informing it of its intention to terminate and the reasons why and
- inviting it, within 30 days of receiving notification, to submit observations and — in case of Point (l.ii) above — to inform the [Commission][Agency] of the measures to ensure compliance with the obligations under the Agreement.

If the [Commission][Agency] does not receive observations or decides to pursue the procedure despite the observations it has received, it will formally notify to the coordinator **confirmation** of the termination and the date it will take effect. Otherwise, it will formally notify that the procedure is not continued.

The termination will **take effect**:

- for terminations under Points (b), (c), (e), (g), (h), (j), and (l.ii) above: on the day specified in the notification (see above);
- for terminations under Points (a), (d), (f), (i), (k), (l.i) and (m) above: on the day after notification is received by the coordinator.

### 50.3.3 Effects

(a) for **termination of the Agreement**:

The coordinator must — within 60 days from when termination takes effect —, submit the final report (see Article 20).

If the [Commission][Agency] does not receive the report within the deadline (see above), no costs will be reimbursed

The [Commission][Agency] will calculate the final grant amount (see Article 5.3) and the balance (see Article 21), on the basis of the report submitted, the eligible costs and compliance with other obligations under the Agreement.

This does not affect the [Commission's][Agency's] right to reduce the grant (see Article 43) or to impose administrative and financial penalties (Article 53).

The beneficiary may not claim damages due to termination by the [Commission][Agency] (see Article 46).

After termination, the beneficiaries' obligations (in particular Articles 20, 22, 23, Section 3 of Chapter 4, 36, 37, 38 and 40) continue to apply.

(b) for **termination of the participation of one or more beneficiaries**:

The coordinator must — within 60 days from when termination takes effect — submit:

- (i) a report on the distribution of payments to the beneficiary concerned;
- (ii) a request for amendment (see Article 55), with a proposal for reallocation of the tasks and estimated budget of the beneficiary concerned (see Annexes 1 and 2) and, if necessary, the addition of one or more new beneficiaries (see Article 56). If termination is notified after the period set out in Article 3, no request for amendment must be submitted unless the beneficiary concerned is the coordinator. In this case the request for amendment must proposed a new coordinator, and
- (iii) if termination takes effect during the period set out in Article 3, a **termination report** from the beneficiary concerned, for the open reporting period until termination, containing an overview of the progress of the work, an overview of the use of resources, the individual financial statement and, if applicable, the certificate on the financial statement (see Article 20).

The information in the termination report must also be included in the periodic report for the next reporting period (see Article 20.3).

If the request for amendment is rejected by the [Commission][Agency] because it calls into question the decision awarding the grant or breaches the principle of equal treatment of applicants, the Agreement may be terminated according to Article 50.3.1(c).

If the request for amendment is accepted by the *[Commission][Agency]*, the Agreement is **amended** to introduce the necessary changes (see Article 56).

The *[Commission][Agency]* will **calculate** — on the basis of the periodic reports, the termination report and the report on the distribution of payments — if the (pre-financing and interim) payments received by the beneficiary concerned exceed the beneficiary's EU contribution (calculated by applying the reimbursement rate(s) to the eligible costs declared by the beneficiary *[and its linked third parties]* and approved by the *[Commission][Agency]*). Only costs incurred by the beneficiary concerned until termination takes effect are eligible (see Article 6). Costs relating to contracts due for execution only after termination are not eligible.

If the payments received **exceed the amounts due**:

- if termination takes effect during the period set out in Article 3 and the request for amendment is accepted, the beneficiary concerned must repay to the coordinator the amount unduly received. The *[Commission][Agency]* will formally notify the amount unduly received and request the beneficiary concerned to repay it to the coordinator within 30 days of receiving notification. If it does not repay the coordinator, the *[Commission][Agency]* will draw upon the Guarantee Fund to pay the coordinator and then notify a debit note on behalf of the Guarantee Fund to the beneficiary concerned (see Article 44);
- in all other cases, in particular if termination takes effect after the period set out in Article 3, the *[Commission][Agency]* will formally notify a **debit note** to the beneficiary concerned. If payment is not made by the date in the debit note, the Guarantee Fund will pay to the *[Commission][Agency]* the amount due and the *[Commission][Agency]* will notify a debit note on behalf of the Guarantee Fund to the beneficiary concerned (see Article 44);
- if the beneficiary concerned is the former coordinator, it must repay the new coordinator according the amount unduly received, unless:
  - termination takes effect after an interim payment and
  - the former coordinator has not distributed amounts received as pre-financing or interim payments (see Article 21.7)

In this case, the *[Commission][Agency]* will formally notify a **debit note** to the former coordinator. If payment is not made by the date in the debit note, the Guarantee Fund will pay to the *[Commission][Agency]* the amount due. The *[Commission][Agency]* will then pay the new coordinator and notify a debit note on behalf of the Guarantee Fund to the former coordinator (see Article 44).

If the payments received **do not exceed the amounts due**: amounts owed to the beneficiary concerned will be included in the next interim or final payment.



If the [Commission][Agency] does not receive the termination report within the deadline (see above), only costs included in an approved periodic report will be taken into account.

If the [Commission][Agency] does not receive the report on the distribution of payments within the deadline (see above), it will consider that:

- the coordinator did not distribute any payment to the beneficiary concerned, and that
- the beneficiary concerned must not repay any amount to the coordinator.

After termination, the concerned beneficiary's obligations (in particular Articles 20, 22, 23, Section 3 of Chapter 4, 36, 37, 38 and 40) continue to apply.

## **SECTION 4 FORCE MAJEURE**

### **ARTICLE 51 — FORCE MAJEURE**

#### **51.1 Force majeure**

'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 third parties involved in the action), and
- proves to be inevitable in spite of exercising all due diligence.

The following cannot be invoked as force majeure:

- any default of a service, defect in equipment or material or delays in making them available, unless they stem directly from a relevant case of force majeure,
- labour disputes or strikes, or
- financial difficulties.

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.

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

## **CHAPTER 7 FINAL PROVISIONS**

### **ARTICLE 52 — COMMUNICATION BETWEEN THE PARTIES**

#### **52.1 Form and means of communication**

Communication under the Agreement (information, requests, submissions, ‘formal notifications’, etc.) must:

- be made in writing and
- bear the number of the Agreement.

**Until the payment of the balance:** all communication must be made through the electronic exchange system and using the forms and templates provided there.

**After the payment of the balance:** formal notifications must be made by registered post with proof of delivery (‘formal notification on paper’).

Communications in the electronic exchange system must be made by persons authorised according to the ‘Terms and Conditions of Use of the electronic exchange system’. For naming the authorised persons, each beneficiary must have designated to the [Commission][Agency] — before the signature of this Agreement — a ‘Legal Entity Appointed Representative (LEAR)’. The role and tasks of the LEAR are stipulated in his/her appointment letter (see Terms and Conditions of Use of the electronic exchange system).

If the electronic exchange system is temporarily unavailable, instructions will be given on the [Commission’s][Agency’s] websites.

#### **52.2 Date of communication**

**Communications** are considered to have been made when they are sent by the sending party (i.e. on the date and time they are sent through the electronic exchange system).

**Formal notifications** through the **electronic** exchange system are considered to have been made when they are received by the receiving party (i.e. on the date and time of acceptance by the receiving party, as indicated by the time stamp). A formal notification that has not been accepted within 10 days after sending is considered to have been accepted.

Formal notifications **on paper** sent by **registered post** with proof of delivery (only after the payment of the balance) are considered to have been made on either:

- the delivery date registered by the postal service or
- the deadline for collection at the post office.

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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.

### 52.3 Addresses for communication

The **electronic** exchange system must be accessed via the following URL:

[insert URL]

The [Commission][Agency] will formally notify the coordinator and beneficiaries in advance any changes to this URL.

**Formal notifications on paper** (only after the payment of the balance) addressed **to the [Commission][Agency]** must be sent to the following address:

[European Commission][name of the Agency]  
[Directorate-General][Department] [complete]  
[Directorate [complete]]  
Unit [complete]  
[Post code, town and country]

Formal notifications on paper (only after the payment of the balance) addressed **to the beneficiaries** must be sent to their legal address as specified in the Beneficiary Register (in the electronic exchange system).

## ARTICLE 53 — INTERPRETATION OF THE AGREEMENT

### 53.1 Precedence of the Terms and Conditions over the Annexes

The provisions in the Terms and Conditions of the Agreement take precedence over its Annexes.

The provisions in Annex 2 take precedence over Annex 1.

### 53.2 Privileges and immunities

*[OPTION for all international organisations: Nothing in the Agreement may be interpreted as a waiver of any privileges or immunities accorded to the [insert name of international organisation(s)] by its constituent documents or international law.]*

*[OPTION: not applicable]*

## **ARTICLE 54 — CALCULATION OF PERIODS, DATES AND DEADLINES**

In accordance with Regulation No 1182/71<sup>11</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.

## **ARTICLE 55 — AMENDMENTS TO THE AGREEMENT**

### **55.1 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.

### **55.2 Procedure**

The party requesting an amendment must submit a request for amendment signed in the electronic exchange system (see Article 52).

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 *[Commission]**[Agency]* may request additional information.

If the party receiving the request agrees, it must sign the amendment in the electronic exchange system within 45 days of receiving notification (or any additional information the *[Commission]**[Agency]* 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.

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<sup>11</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).

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

An amendment **takes effect** on the date agreed by the parties or, in the absence of such an agreement, on the date on which the amendment enters into force.

## **ARTICLE 56 — ACCESSION TO THE AGREEMENT**

### **56.1 Accession of the beneficiaries mentioned in the Preamble**

The other beneficiaries must accede to the Agreement by signing the Accession Form (see Annex 3) in the electronic exchange system (see Article 52), within 30 days after its entry into force (see Article 58).

*[OPTION if Article 14 applies and joint and several liability has been requested: If the [Commission][Agency] has requested joint and several liability of a linked third party, the beneficiary to which it is linked must also submit — at accession — a declaration on joint and several liability (see Annex 3a) signed by the third party.]*

They will assume the rights and obligations under the Agreement with effect from the date of its entry into force (see Article 58).

If a beneficiary does not accede to the Agreement within the above deadline, the coordinator must — within 30 days — request an amendment to make any changes necessary to ensure proper implementation of the action. This does not affect the [Commission's][Agency's] right to terminate the Agreement (see Article 50).

### **56.2 Addition of new beneficiaries**

In justified cases, the beneficiaries may request the addition of a new beneficiary.

For this purpose, the coordinator must submit a request for amendment in accordance with Article 55. It must include an Accession Form (see Annex 3) signed by the new beneficiary in the electronic exchange system (see Article 52).

New beneficiaries must assume the rights and obligations under the Agreement with effect from the date of their accession specified in the Accession Form (see Annex 3).

## **ARTICLE 57 — APPLICABLE LAW AND SETTLEMENT OF DISPUTES**

### **57.1 Applicable law**

The Agreement is governed by the applicable EU law, supplemented if necessary by the law of Belgium. *[OPTION for international organisations that do not accept application of Union law: except for [insert name(s) of the international organisations concerned]]*

*[OPTION for international organisations that accept application of Union law but not Belgian law: For [insert name(s) of the international organisations concerned], the*

*Agreement is governed by the applicable EU law, supplemented if necessary by the law of [insert name of a Member State or an EFTA country] [and, where appropriate, by the rules of the general principles governing the law of international organisations and the rules of general international law].]*

## **57.2 Dispute settlement**

If a dispute concerning the interpretation, application or validity of the Agreement cannot be settled amicably, the General Court — or, on appeal, the Court of Justice of the European Union — has sole jurisdiction. Such actions must be brought under Article 272 of the Treaty on the Functioning of the EU (TFEU).

***[OPTION for non-EU beneficiaries (except beneficiaries established in an associated country with an association agreement to Horizon 2020 that stipulates sole jurisdiction of the European Court of Justice): As an exception, if such a dispute is between the [Commission][Agency] and [insert non-EU beneficiary(ies) name(s)], the competent Belgian courts have sole jurisdiction.]***

If a dispute concerns offsetting or an enforceable decision under Article 299 TFEU (see Articles 44, 45 and 46), the beneficiaries must bring action before the General Court — or, on appeal, the Court of Justice of the European Union — under Article 263 TFEU.

***[OPTION for beneficiaries that are international organisations and for beneficiaries not receiving EU funding, established in a non-EU or associated country and which according to their national law cannot be subject to the jurisdiction of the European Court of Justice: For the following beneficiaries:***

- [insert name of international organisation or beneficiary not receiving EU funding]
  - [insert name of international organisation or beneficiary not receiving EU funding]
- [same for other beneficiaries that are international organisations or beneficiary not receiving EU funding]*

*disputes with the [Commission][Agency] relating to the Agreement must — if they cannot be settled amicably — be referred to arbitration.*

*The Permanent Court of Arbitration Optional Rules for Arbitration Involving International Organisations and States in force at the date of entry into force of the Agreement will apply.*

*The appointing authority will be the Secretary-General of the Permanent Court of Arbitration following a written request submitted by either party.*

*The arbitration proceedings must take place in Brussels and the language used in the arbitral proceedings will be English.*

*The arbitral award will be binding on all parties and will not be subject to appeal.]*

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## ARTICLE 58 — ENTRY INTO FORCE OF THE AGREEMENT

The Agreement will enter into force on the day of signature by the [*Commission*][*Agency*] 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 [*Commission*][*Agency*]

[forename/surname]  
[electronic signature]

Done in [English] on [electronic time stamp]

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## MODEL ANNEX 2 FOR SME INSTRUMENT PHASE 1

### ESTIMATED BUDGET FOR THE ACTION

ANNEX 2

Estimated eligible* costs (per budget category)		EU contribution			
A. Costs of the feasibility study/Direct and indirect costs of the action	Total costs	Reimbursement rate %	Maximum EU contribution **	Maximum grant amount	
Form of costs***	Lump sum				
Consortium	50 000	71 429	70%	50 000	50 000

\* See Article 6 for conditions for costs to be eligible

\*\* This is the theoretical amount of EU contribution if the reimbursement rate is applied to *all* the budgeted costs. The theoretical EU contribution for the action is capped by the maximum grant amount.

\*\*\* See Article 5 for forms of costs



## ACCESSION FORM FOR BENEFICIARIES

[Full official name of the beneficiary], [short name] [legal form], [official registration No], established in [official address in full] [VAT number], ('the beneficiary'), represented for the purpose of signing this Accession Form by [forename and surname, function],

**hereby agrees**

**to become beneficiary** ('insert beneficiary no ..')

**in Agreement No** [insert agreement number] ('the Agreement')

**between** [full official name of the coordinator] **and** *[the European Union ('the EU', represented by the European Commission ('the Commission') [the European Atomic Energy Community ('Euratom'), represented by the European Commission ('the Commission')], [the [Research Executive Agency (REA)][European Research Council Executive Agency (ERCEA)][Innovation and Networks Executive Agency (INEA)][Executive Agency for Small and Medium-sized Enterprises (EASME)] ('the Agency'), under the power delegated by the European Commission ('the Commission'),]*

**for the action entitled** [insert title of the action (insert acronym)].

**and mandates**

**the coordinator** to submit and sign in its name and on its behalf any **amendments** to the Agreement, in accordance with Article 55.

By signing this Accession Form, the beneficiary accepts the grant and agrees to implement the action in accordance with the Agreement, with all the obligations and conditions it sets out.

SIGNATURE

For the beneficiary  
[function/forename/surname]  
[electronic signature]

Done in [English] on [electronic time stamp]

[print format A4](#)

**MODEL ANNEX 4 FOR SME INSTRUMENT PHASE 1**

**FINANCIAL STATEMENT FOR CONSORTIUM [name]**

**ANNEX 4**

	Eligible* costs (per budget category)		EU contribution		
	A. Costs of the feasibility study/Direct and indirect costs of the action	Total costs	Reimbursement rate %	Maximum EU contribution **	Maximum grant amount
<b>Form of costs***</b>	<b>Lump sum</b>				
<b>Consortium</b>	50 000	71 429	70%	50 000	50 000

**The beneficiary/beneficiaries hereby confirm(s) that:**

The information provided is complete, reliable and true.

The costs declared are eligible (i.e. that the action has been properly implemented; see Article 6).

The costs (i.e. the proper implementation of the action) can be substantiated by adequate records and supporting documentation that will be produced upon request or in the context of checks, reviews, audits and investigations (see Articles 17, 18 and 22).

\* See Article 6 for conditions for costs to be eligible

\*\* This is the theoretical amount of EU contribution if the reimbursement rate is applied to *all* the budgeted costs. The theoretical EU contribution for the action is capped by the maximum grant amount.

\*\*\* See Article 5 for forms of costs