



## GRANT AGREEMENT FOR AN ACTION WITH MULTIPLE BENEFICIARIES

### AGREEMENT NUMBER – [...]

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

on the one part,

The **European GNSS Agency** (hereinafter referred to as the "GSA"), represented for the purposes of signature of this grant agreement by its Executive Director, Carlo DES DORIDES,

**and**

on the other part,

[full official name] [ACRONYM]

[official legal status or form]<sup>1</sup>

[official registration No.]<sup>2</sup>

[official full address]

[VAT number]

hereinafter referred to as "the coordinator", represented for the purposes of signature of this Agreement by **Mr/Ms, title or post**,

and the following other beneficiaries:

2. **full official name** - established in **country**

3. **full official name** - established in **country**

**idem for each beneficiary**

duly represented by the coordinator by virtue of the mandate[s] included in Annex IV for the signature of the Agreement,

The parties referred to above

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<sup>1</sup> To be deleted or filled in according to the "Legal Entity" form

<sup>2</sup> To be deleted or filled in according to the "Legal Entity" form

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HAVE AGREED

to the Special Conditions (hereinafter referred to as the “Special Conditions”) and the following Annexes:

- Annex I Description of the *action*
- Annex II General Conditions (hereinafter referred to as “the General Conditions”)
- Annex III Estimated budget of the *action* (to be provided by the beneficiary)
- Annex IV Mandate[s] provided to the coordinator by the other beneficiary[ies]
- Annex V Model technical report: **[not applicable]**
- Annex VI Model financial statement
- Annex VII Model terms of reference for the certificate on the financial statements
- Annex VIII Model terms of reference for the certificate on the compliance of the cost accounting practices: **[not applicable]**
- Annex IX List of pre-existing intellectual property rights

which form an integral part of the Agreement.

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

The provisions in Annex II “General Conditions” take precedence over the other Annexes.

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## SPECIAL CONDITIONS

### ARTICLE I.1 – SUBJECT MATTER OF THE AGREEMENT

The GSA has decided to award a grant, under the terms and conditions set out in the Special Conditions, the General Conditions and the other Annexes to the Agreement, for the *action* entitled **[insert title of the action in bold]** as described in Annex I.

With the signature of the Agreement, the beneficiaries accept the grant and agree to implement the *action*, acting on their own responsibility.

### ARTICLE I.2 – ENTRY INTO FORCE OF THE AGREEMENT AND IMPLEMENTATION PERIOD

**I.2.1** The Agreement enters into force on the date on which the last party signs.

**I.2.2** The *action* runs for **[insert number in bold]** months starting on the first day of the month following the date when the last party signs the Agreement (“starting date”).

### ARTICLE I.3 - MAXIMUM AMOUNT AND FORM OF THE GRANT

**I.3.1** The maximum amount of the grant is EUR **[insert amount]**.

**I.3.2** The grant takes the form of:

the reimbursement of 60 % of the eligible costs of the *action* (“reimbursement of eligible costs”), which are estimated at EUR [...] – but in no case beyond the maximum amount established above – and which are:

- (i) actually incurred (“reimbursement of actual costs”) for the direct costs
- (ii) reimbursement of unit costs: **not applicable**
- (iii) reimbursement of lump sum costs: **not applicable**
- (iv) declared on the basis of a flat-rate of 7 % of the eligible direct costs (“reimbursement of flat-rate costs”) for the indirect costs
- (v) reimbursement of costs declared on the basis of the beneficiary’s usual cost accounting practices: **not applicable**

### ARTICLE I.4 – REPORTING – REQUESTS FOR PAYMENT AND SUPPORTING DOCUMENTS

#### **I.4.1 Reporting periods**

The *action* is divided into the following reporting periods:

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- Reporting period 1: from month 1 to the half term of the project (month [X])
- Reporting period 2: from month [X+1] to [the last month of the action]

#### **I.4.2 Request for for further pre-financing payment[s] and supporting documents**

**Not applicable**

#### **I.4.3 Request[s] for interim payment[s] and supporting documents**

The coordinator must submit a request for an interim payment within 60 calendar days following the end of the first reporting period.

The request must include the following:

- (a) an interim report (“interim technical report”) drawn up with information containing:
  - (i) the information needed to justify the eligible costs declared or the contribution requested on the basis of unit costs and lump sums (where the grant takes the form of the reimbursement of unit or lump sum costs or of a unit or lump sum contribution in accordance with Article I.3.2(ii), (iii), and
  - (ii) information on subcontracting as referred to in Article II.11.1(d);
- (b) an interim financial statement (‘interim financial statement’). The interim financial statement must include a consolidated statement as well as a breakdown of the amounts claimed by each beneficiary and its affiliated entities.

It must be drawn up in accordance with the structure of the estimated budget set out in Annex III and with Annex VI and detail the amounts for each of the forms of grant set out in Article I.3.2 for the reporting period concerned;

- (c) a certificate on the financial statements and underlying accounts (“*certificate on the financial statements*”) for each beneficiary and for each affiliated entity, if:
  - (i) the cumulative amount of payments the beneficiary requests as reimbursement of actual costs as referred to in Article I.3.2(i) (and for which no certificate has yet been submitted) is EUR 325 000 or more;
  - (ii) the maximum grant amount indicated, for that beneficiary and its affiliated entities, in the estimated budget as reimbursement of actual costs is EUR 750 000 or more.

This certificate must be produced by an approved auditor or, in case of public bodies, by a competent and independent public officer and drawn up in accordance with Annex VII.

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It must certify that the costs declared in the individual financial statement by the beneficiary concerned or its affiliated entities for the categories of costs reimbursed in accordance with Article I.3.2(i) are real, accurately recorded and eligible in accordance with the Agreement.

As an exception, the following beneficiaries and affiliated entities must not submit a certificate on the financial statements: **[insert beneficiaries or affiliated entities]**.<sup>3</sup>

The coordinator must certify that the information provided in the request for interim payment is full, reliable and true.

It must also certify that the costs incurred can be considered eligible in accordance with the Agreement and that the request for payment is substantiated by adequate supporting documents that can be produced in the context of the checks or audits described in Article II.27.

#### **I.4.4 Request for payment of the balance and supporting documents**

The coordinator must submit a request for payment of the balance within 60 calendar days following the end of the second (and last) reporting period.

This request must be accompanied by the following documents:

- (a) a final report on implementation of the action ('final technical report'), drawn up in with information, containing:
  - (i) the information needed to justify the eligible costs declared or the contribution requested on the basis of unit costs and lump sums (where the grant takes the form of the reimbursement of unit or lump sum costs or of a unit or lump sum contribution in accordance with Article I.3.2(ii) and (iii), and
  - (ii) information on subcontracting as referred to in Article II.11.1(d);
- (b) a final financial statement ('final financial statement'). The final financial statement must include a consolidated statement as well as a breakdown of the amounts claimed by each beneficiary and its affiliated entities.

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<sup>3</sup> To be added where the authorising officer responsible decides to waive the obligation to provide a certificate on the financial statements and underlying accounts (see Article 207(3) RAP):

- for beneficiaries which are public bodies or international organisations;
- for interim payments, for beneficiaries of grants in connection with humanitarian aid, civil protection emergency operations and the management of crisis situations;
- for beneficiaries of multiple grants which have provided independent certification offering equivalent guarantees on the control system and methodology used to prepare their claims;
- where an audit has been or will be directly done by the Commission's own staff or by a body authorised to do so on its behalf.

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It must be drawn up in accordance with the structure of the estimated budget set out in Annex III and with Annex VI and detail the amounts for each of the forms of grant set out in Article I.3.2 for the last reporting period;

(c) a summary financial statement ('summary financial statement').

This statement must include a consolidated financial statement and a breakdown of the amounts declared or requested by each beneficiary and its affiliated entities, aggregating the financial statements already submitted previously and indicating the receipts referred to in Article II.25.3 for each beneficiary and its affiliated entities.

It must be drawn up in accordance with Annex VI;

(d) a certificate on the financial statements and underlying accounts ('certificate on the financial statements') for each beneficiary and for each affiliated entity, if:

- (i) the cumulative amount of payments the beneficiary requests as reimbursement of actual costs as referred to in Article I.3.2(i) (and for which no certificate has yet been submitted) is EUR 325 000 or more;
- (ii) the maximum grant amount indicated, for that beneficiary and its affiliated entities, in the estimated budget as reimbursement of actual costs is EUR 750 000 or more.

This certificate must be produced by an approved auditor or, in case of public bodies, by a competent and independent public officer and drawn up in accordance with Annex VII.

It must certify that the costs declared in the final financial statement by the beneficiary concerned or its affiliated entities for the categories of costs reimbursed in accordance with Article I.3.2(i) are real, accurately recorded and eligible in accordance with the Agreement.

In addition, it must certify that all the receipts referred to in Article II.25.3 have been declared.

[As an exception, the following beneficiaries and affiliated entities must not submit a certificate on the financial statements: **[insert beneficiaries or affiliated entities]**.<sup>4</sup>]

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<sup>4</sup> To be added where the authorising officer responsible decides to waive the obligation to provide a certificate on the financial statements and underlying accounts (see Article 207(3) RAP):

- for beneficiaries which are public bodies or international organisations;
- for interim payments, for beneficiaries of grants in connection with humanitarian aid, civil protection emergency operations and the management of crisis situations;
- for beneficiaries of multiple grants which have provided independent certification offering equivalent guarantees on the control system and methodology used to prepare their claims;
- where an audit has been or will be directly done by the Commission's own staff or by a body authorised to do so on its behalf.

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The coordinator must certify that the information provided in the request for payment of the balance is full, reliable and true.

It must also certify that the costs incurred can be considered eligible in accordance with the Agreement and that the request for payment is substantiated by adequate supporting documents that can be produced in the context of the checks or audits described in Article II.27.

In addition, it must certify that all the receipts referred to in Article II.25.3 have been declared.

#### **I.4.5 Information on cumulative expenditure incurred**

**Not applicable**

#### **I.4.6 Currency for requests for payment and financial statements**

Requests for payment and financial statements must be drafted in euro.

Beneficiaries and affiliated entities with general accounts in a currency other than the euro must convert costs incurred in another currency into euro at the average of the daily exchange rates published in the C series of *Official Journal of the European Union*, determined over the corresponding reporting period (available at

<http://www.ecb.europa.eu/stats/exchange/eurofxref/html/index.en.html> ).

If no daily euro exchange rate is published in the *Official Journal of the European Union* for the currency in question, conversion must be made at the average of the monthly accounting rates established by the Commission and published on its website ([http://ec.europa.eu/budget/contracts\\_grants/info\\_contracts/inforeuro/inforeuro\\_en.cfm](http://ec.europa.eu/budget/contracts_grants/info_contracts/inforeuro/inforeuro_en.cfm)), determined over the corresponding reporting period.

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

#### **I.4.7 Language of requests for payments, technical reports and financial statements**

All requests for payments, technical reports and financial statements must be submitted in English.

All reports (technical and financial reports, including financial statements) must be submitted in English.

### **ARTICLE I.5 – PAYMENTS AND PAYMENT ARRANGEMENTS**

#### **I.5.1 Payments to be made**

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The GSA must make the following payments to the coordinator:

- one pre-financing payment;
- one interim payment, on the basis of the request for interim payment referred to in Article I.4.3;
- one payment of the balance, on the basis of the request for payment of the balance referred to in Article I.4.4.

### **I.5.2 Pre-financing payment**

The aim of the pre-financing is to provide the beneficiaries with a float. It remains the property of the European Union until it is cleared against interim payments or, if it is not cleared against interim payments, until the payment of the balance.

The GSA must make the pre-financing payment of EUR [insert amount] to the coordinator within 30 calendar days from the entry into force of the Agreement, except if Article II.24.1 applies.

### **I.5.3 Interim payment[s]**

Interim payments reimburse or cover the eligible costs incurred for the implementation of the *action* during the corresponding reporting periods.

The GSA must pay to the coordinator the amount due as interim payment within 90 (ninety) calendar days from receiving the documents referred to in Article I.4.3, except if Article II.24.1 or II.24.2 apply.

Payment is subject to the approval of the request for interim payment and of the accompanying documents. Their approval does not imply recognition of the compliance, authenticity, completeness or correctness of their content.

The GSA calculates the amount due as interim payment in the following steps:

Step 1 – Application of the reimbursement rate to the eligible costs and addition of the unit, flat-rate of lump sum contributions (if applicable)

Step 2 – Clearing of the pre-financing

Step 3 – Limit to 70% of the *maximum amount of the grant*.

I.5.3.1 Step 1 – Application of the reimbursement rate to the eligible costs and addition of the unit, flat-rate and lump sum contributions (if applicable).

This step is applied as follows:

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- (a) If, in accordance with Article I.3.2, the grant takes the form of the reimbursement of eligible costs, the reimbursement rate specified in that Article is applied to the eligible costs of the action approved by the GSA for the concerned reporting period and the corresponding categories of costs, beneficiaries and affiliated entities (if applicable);
- (b) If, in accordance with Article I.3.2, the grant takes the form of a unit contribution, the unit contribution specified in that Article is multiplied by the actual number of units approved by the GSA for the concerned reporting period and for the corresponding beneficiaries and affiliated entities (if applicable);
- (c) If, in accordance with Article I.3.2, the grant takes the form of a lump sum contribution, the lump sum specified in that Article for the corresponding beneficiaries and affiliated entities is applied, subject to approval by the Commission of the proper implementation during the concerned reporting period of the corresponding tasks or part of the action in accordance with Annex I (if applicable);

If, in accordance with Article I.3.2, the grant takes the form of a flat-rate contribution, the flat rate referred to in that Article is applied to the eligible costs or to the contribution approved by the Commission for the concerned reporting period and the corresponding beneficiaries and affiliated entities (if applicable).

If Article I.3.2 provides for a combination of different forms of grant, the amounts obtained must be added.

#### I.5.3.2 Step 2 – Clearing of the pre-financing

The interim payment must clear at least 50% of the amount of the pre-financing payment previously made.

The amount of pre-financing to be cleared must be deducted from the amount obtained following Step 1.

#### I.5.3.3 Step 3 – Limit to 70% of the *maximum amount of the grant*

The total amount of pre-financing and interim payments must not exceed 70% of the *maximum amount of the grant*.

#### I.5.4 Payment of the balance

The payment of the balance reimburses or covers 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 amount of the grant determined in accordance with Article II.25, the payment of the balance takes the form of a recovery as provided for by Article II.26.

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If the total amount of earlier payments is lower than the final amount of the grant determined in accordance with Article II.25, the GSA must pay the balance within 90 (ninety) calendar days from receiving the documents referred to in Article I.4.4, except if Article II.24.1 or II.24.2 apply.

Without prejudice to Article II.24.1.1 the GSA may also decide to suspend the payment of the balance for all beneficiaries if they have substantially failed to implement: the business plan and/or the dissemination plan (deliverable no.14 listed in Article I.8.1). The beneficiary shall demonstrate the status of implementation by provision of a correct, accurate, authentic and factual report on the deliverable no. 15 listed in Article I.8.1.

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 determined by deducting the total amount of pre-financing and interim payments (if any) already made from the final amount of the grant determined in accordance with Article II.25.

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

#### **I.5.5 Notification of amounts due**

The GSA must send a *formal notification* to the coordinator:

- (a) informing it about the amount due and
- (b) specifying whether it concerns a further pre-financing payment, an interim payment or the payment of the balance.

For the payment of the balance, it must also specify the final amount of the grant determined in accordance with Article II.25.

#### **I.5.6 Interest on late payment**

If the GSA does not pay within the time limits for payment, the beneficiaries are entitled to late-payment interest at the rate applied by the European Central Bank for its main refinancing operations in euros ("the 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 time limit for payment expires, as published in the C series of the *Official Journal of the European Union*.

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

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The suspension of the time limit for payment in accordance with Article II.24.2 or of payment by the Commission in accordance with Article II.24.1 may not be considered as late payment.

Late-payment interest covers the period running from the day following the due date for payment, up to and including the date of actual payment as established in Article I.5.8. The interest payable is not considered for the purposes of determining the final amount of grant within the meaning of Article II.25.

As an exception to the first subparagraph, when the calculated interest is lower than or equal to EUR 200, it must be paid to the coordinator only upon request submitted within two months of receiving late payment.

#### **I.5.7 Currency for payments**

The GSA must make payments in euro.

#### **I.5.8 Date of payment**

Payments by the GSA are considered to have been carried out on the date when they are debited to its account.

#### **I.5.9 Costs of payment transfers**

Costs of the payment transfers are borne in the following way:

- (a) the GSA bears the costs of transfer charged by its bank;
- (b) the beneficiary bears the costs of transfer charged by its bank;
- (c) the party causing a repetition of a transfer bears all costs of repeated transfers.

#### **I.5.10 Payments to the coordinator**

The GSA must make payments to the coordinator.

Payments to the coordinator discharge the GSA from its payment obligation.

### **ARTICLE I.6 – BANK ACCOUNT FOR PAYMENTS**

All payments must be made to the coordinator's bank account as indicated below:

Name of bank: ...

Precise denomination of the account holder: ...

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Full account number (including bank codes): ...

IBAN code: ...<sup>5</sup>

## ARTICLE I.7 - DATA CONTROLLER, COMMUNICATION DETAILS OF THE PARTIES

### I.7.1 Data controller

The entity acting as a data controller according to Article II.7 is: the Executive Director of the GSA.

### I.7.2 Communication details of the GSA

Any communication addressed to the GSA must be sent to the following address:

European GNSS Agency  
XXXX Department  
Janovského 438/2  
17000 Prague 7  
Czech Republic  
E-mail address: TBD

### I.7.3 Communication details of the beneficiaries

Any communication from the GSA to the beneficiaries must be sent to the following address:

[Full name]  
[Function]  
[Name of the entity]  
[Full official address]  
E-mail address: [complete]

## ARTICLE I.8 – ADDITIONAL PROVISIONS ON USE OF THE RESULTS (INCLUDING INTELLECTUAL AND INDUSTRIAL PROPERTY RIGHTS)

### I.8.1 Additional provisions on the results

Without prejudice to Article II.9 beneficiaries shall deliver to the GSA two (2) demonstration kits (including but not limited to a minimum of x [as indicated in the proposal] prototypes/products, additional hardware/software and related documentation) in order to be able to reproduce the demonstration/presentation after the completion of the project at GSA or other institutional premises

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

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for non-commercial purposes, as well as other deliverables indicated in the proposal as to be submitted to the GSA.

For the purpose of Article II.9.3 results include but are not limited to:

1. Work plan
2. User requirements document
3. Cost-benefit analysis report
4. Requirements document for the receiver's prototype
5. Preliminary architecture of the prototype
6. Detailed architecture and Design Justification File of the prototype
7. Test plan, cases and procedures
8. Test report
9. System requirements document
10. Receiver prototypes and relevant Demonstration kits
11. Demonstration of the prototypes in real scenarios relevant to the most suitable target application within the selected category (to be proposed by the applicants and agreed with the GSA)
12. Report on the Demonstration activities
13. Business plan and Dissemination Plan
14. Report about the status of implementation of the business plan and dissemination plan
15. Dissemination documents and multi-media
16. Demonstration training material

The right of use as per Article II.9.3 shall be free of charge, perpetual, worldwide, non-exclusive, irrevocable and transferable. The GSA and any EU institutional bodies, agencies shall have the same rights defined under article II.9.3 as the European Union.

### **I.8.2 Additional provisions on the use of the results by European Union**

In accordance with Article II.9.3 whereby the European Union acquires rights to use the results of the *action* (including the results listed but not limited in Article I.8.1), these results may be exploited through any of the following modes:

- (a) distribution to the public in hard copies, in electronic or digital format, on the internet including social networks as a downloadable or non-downloadable file;
- (b) communication through press information services;
- (c) inclusion in widely accessible databases or indexes, such as via 'open access' or 'open data' portals, or similar repositories, whether freely accessible or accessible only upon subscription;
- (d) edit or re-write in another way the results of the *action*, including shortening, summarising, modifying the content, correcting technical errors in the content;
- (e) cut, [insert [meta-data], [legends [or] [other graphic], visual, audio or word elements in the results of the action;
- (f) extract a part (e.g. audio or video files) of, divide into parts or compile the results of the action;
- (g) prepare derivative works of the results of the *action*;
- (h) translate, [insert subtitles in], [dub] the results of the *action* in:

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[English], [French], [German]  
[all official languages of EU]  
[languages of candidate countries]  
[list other languages as appropriate]]

- (i) license, or sub-license, including in case of licensed pre-existing rights, to third parties any of the rights or modes of exploitation set out [in point[s] [...] of Article II.9.3 of the General Conditions and [in point[s] [...] above].

The beneficiaries must ensure that the European Union has the rights of use specified in the General Conditions [and] [in points [...] above] [for a period of [...] OR for the whole duration] of the industrial or intellectual property right[s] concerned.

#### ARTICLE I.9 – OBLIGATION TO CONCLUDE AN INTERNAL CO-OPERATION AGREEMENT

The beneficiaries must conclude an internal cooperation agreement including provisions about:

- their operation and co-ordination and
- all internal aspects of the management of the beneficiaries and the implementation of the action.

#### ARTICLE I.10 – SETTLEMENT OF DISPUTES WITH NON EU BENEFICIARIES

This provision applies where a beneficiary is legally established in a country other than a Member State of the European Union (the “non EU beneficiary”).

As an exception to Article II.18.2, any of the parties (the GSA or the non EU beneficiary) may bring before the Belgian Courts any dispute between them concerning the interpretation, application or validity of the Agreement, if such dispute cannot be settled amicably.

Where one party has brought proceedings before the Belgian Courts, the other party may not bring a claim arising from the interpretation, application or validity of the Agreement in any other court than the Belgian Courts already seized.

#### ARTICLE I.11 – ADDITIONAL PROVISIONS ON REIMBURSEMENT OF COSTS DECLARED ON THE BASIS OF THE BENEFICIARY’S USUAL COST ACCOUNTING PRACTICES – NOT APPLICABLE

In addition to the conditions set out in Article II.20.3, if, in accordance with Article I.3.2(v), the grant takes the form of the reimbursement of [unit costs] [lump sum costs][flat-rate costs] declared by the beneficiary on the basis of its usual cost accounting practices, the beneficiary must ensure that the cost accounting practices used are also in compliance with the following conditions: [...].

If, in accordance with Article I.3.2(v), the grant takes the form of the reimbursement of [unit costs][lump sum costs][flat-rate costs] declared by the beneficiary on the basis of its usual cost

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accounting practices, the beneficiary may request the GSA to assess the compliance of the cost accounting practices used with the conditions referred to in Article II.20.3.1 and in the first subparagraph.

In this case, the beneficiary must submit a certificate on the compliance of the cost accounting practices ('certificate on the compliance of the cost accounting practices') in accordance with Article II.20.3.2.

#### **ARTICLE I.12 – SPECIAL PROVISIONS ON THE FINANCIAL RESPONSIBILITY FOR RECOVERIES**

As an exception to point (c) of the third paragraph of Article II.26.3, the beneficiaries are jointly and severally liable for repaying any debt under the Agreement up to the *maximum amount of the grant*. The beneficiaries are also jointly and severally liable for interest on late payment, when applicable.

#### **ARTICLE I.13 – ELIGIBILITY OF EQUIPMENT COSTS – NOT APPLICABLE**

As an exception to Article II.19.2(c), the full cost of purchase of equipment is eligible [, subject to the following conditions: [...]].

#### **ARTICLE I.14 – ADDITIONAL CONDITIONS FOR CHECKS, AUDITS AND EVALUATION**

As an addition to Article II.27.1, the technical and financial checks, audits, and interim and final evaluations can be carried out in person or remotely.

The remote checks, audits and evaluations shall be subject to compliance with the relevant procedures regarding the transfer of confidential information irrespectively of the format of the information.

All requested information shall be provided in a timely manner but not later than 30 (thirty) calendar days after the request was sent to the coordinator otherwise Article II.27.3(a) will be applied.

#### **ARTICLE I.15 – BENEFICIARIES WHICH ARE INTERNATIONAL ORGANISATIONS**

**[if an international organisation does not accept Article II.18:**

##### **I.15.1 Dispute settlement - Arbitration**

As an exception to Article II.18, any dispute between the GSA and [insert name of IO(s)] relating to the Agreement, which cannot be settled amicably must be referred to an arbitration committee in accordance with the procedure specified below.

When a party intends to resort to arbitration, it must send a *formal notification* to the other party informing it of its intention and of its appointed arbitrator. The second party must appoint its arbitrator within one month of receipt of that *formal notification*. The two arbitrators must appoint, by joint agreement and within three months of the appointment of the second party's arbitrator, a third

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arbitrator who is the chairman of the arbitration committee, unless both parties agreed to have a sole arbitrator.

Within one month of the appointment of the third arbitrator, the parties must agree on the terms of reference of the arbitration committee, including the procedure to be followed.

The arbitration proceedings must take place in Brussels.

The arbitration committee must apply the terms of the Agreement. The arbitration committee must set out in its arbitral award detailed grounds for its decision.

The arbitral award is final and binding upon the parties, which hereby expressly agree to renounce any form of appeal or revision.

The costs, including all reasonable fees incurred by the parties related to any arbitration, must be apportioned between the parties by the arbitration committee.

### **I.15.3 Checks and audits**

Article II.27 must be applied in accordance with any specific agreement concluded in this respect by the international organisation and the European Union.

### **I.15.4 Privileges and immunities**

Nothing in the Agreement may be interpreted as a waiver of any privileges or immunities which are accorded to the [insert name of IO(s)] by [its][their] constituent documents or international law.

## **SIGNATURES**

For the coordinator

[function/forename/surname]

For the GSA

Carlo Des Dorides, Executive Director

[coord.] Initial	GSA Initial

## ANNEX II

### GENERAL CONDITIONS

#### PART A – LEGAL AND ADMINISTRATIVE PROVISIONS

##### ARTICLE II.1 – DEFINITIONS

The following definitions (indicated in *italics* in the text) apply for the purpose of the Agreement:

**‘Action’:** the set of activities/ the project, for which the grant is awarded, to be implemented by the beneficiaries as described in Annex I.

**‘Confidential information or document’:** any information or document (in any format) received by either party from the other or accessed by either party in the context of the implementation of the Agreement that any of the parties has identified in writing as confidential. It does not include information that is publicly available.

**‘Conflict of interests’:** a situation where the impartial and objective implementation of the Agreement by a beneficiary is compromised for reasons involving family, emotional life, political or national affinity, economic interest, or any other shared interest with the Commission or any third party related to the subject matter of the Agreement.

**‘Direct costs’:** those specific costs which are directly linked to the implementation of the action and can therefore be attributed directly to it. They may not include any indirect costs;

**‘Force majeure’:** any unforeseeable, exceptional situation or event beyond the control of the parties that prevents either of them from fulfilling any of their obligations under the Agreement, which is not attributable to error or negligence on their part or on the part of the subcontractors affiliated entities or third parties in receipt of financial support and which proves to be inevitable despite their exercising due diligence. The following cannot be invoked as force majeure: labour disputes, strikes, financial difficulties or 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;

**‘Formal notification’:** form of communication between the parties made in writing by mail or electronic mail which provides the sender with a compelling evidence that the message was delivered to the specified recipient;

**‘Fraud’:** any intentional act or omission affecting the European Union’s financial interests relating to the use or presentation of false, incorrect or incomplete statements or documents, to non-disclosure of information in violation of a specific obligation;

**‘Implementation period’:** the period of implementation of the activities forming part of the action as specified in Article I.2.2;

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**‘Indirect costs’:** those costs which are not specific costs directly linked to the implementation of the action and can therefore not be attributed directly to it. They may not include any costs identifiable or declared as eligible direct costs;

**‘Irregularity’:** any infringement of a provision of European Union law resulting from an act or omission by a beneficiary, which has, or would have, the effect of prejudicing the European Union’s budget;

**‘Maximum amount of the grant’:** the maximum EU contribution to the action as defined in Article I.3.1;

**‘Pre-existing material’:** any material, document, technology or know-how which exists prior to the beneficiary using it for the production of a result in the implementation of the action;

**‘Pre-existing right’:** any industrial and intellectual property right on pre-existing material; it may consist in right of ownership, licence right and/or right of use belonging to the beneficiary or any other third parties;

**‘Related person’:** any person who has the power to represent the beneficiary or to take decisions on its behalf;

**‘Starting date’:** the date on which the implementation of the action starts as provided for in Article I.2.2;

**‘Subcontract’:** a procurement contract within the meaning of Article II.10, which covers the implementation by a third party of tasks forming part of the action as described in Annex I;

**‘Substantial error’:** any infringement of a provision of an agreement resulting from an act or omission, which causes or might cause a loss to the Union’s budget.

## ARTICLE II.2 – GENERAL OBLIGATIONS AND ROLES OF THE BENEFICIARIES

### II.2.1 General obligations and role of the beneficiaries

The beneficiaries:

- (a) are jointly and severally liable for carrying out the *action* in accordance with the Agreement. If a beneficiary fails to implement its part of the *action*, the other beneficiaries become responsible for implementing this part (without so increasing the *maximum amount of the grant*);
- (b) must comply jointly or individually with any legal obligations they are bound by under applicable EU, international and national law;
- (c) must make appropriate internal arrangements for the proper implementation of the *action*, consistent with the provisions of the Agreement; as provided by Article I.9 in the Special Conditions, those arrangements must take the form of an internal co-operation agreement between the beneficiaries.

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## II.2.2 General obligations and role of each beneficiary

Each beneficiary must:

(a) inform the coordinator immediately of any events or circumstances likely to affect or delay the implementation of the *action* of which the beneficiary is aware;

(b) inform the coordinator immediately:

of any change in its legal, financial, technical, organisational or ownership situation and of any change in its name, address or legal representative;

of any change in the legal, financial, technical, organisational or ownership situation of its affiliated entities and of any change in their name, address or legal representative;

(c) submit in due time to the coordinator:

(i) the data needed to draw up the reports, financial statements and other documents provided for in the Agreement;

(ii) all the necessary documents in the event of audits, checks or evaluation in accordance with Article II.27.

(iii) any other information to be provided to the GSA according to the Agreement, except if the Agreement requires such information to be submitted directly by the beneficiary.

## II.2.3 General obligations and role of the coordinator

The coordinator:

(a) must monitor that the *action* is implemented in accordance with the Agreement;

(b) is the intermediary for all communications between the beneficiaries and the GSA, except if provided otherwise in the Agreement, and, in particular, the coordinator :

(i) must immediately inform the GSA:

- of any change in the name, address, legal representative of any of the beneficiaries or of their affiliated entities;

- of any change in the legal, financial, technical, organisational or ownership situation of any of the beneficiaries or of their affiliated entities;

- of any events or circumstances likely to affect or delay the implementation of the *action*, of which the coordinator is aware.

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- (ii) is responsible for supplying all documents and information required under the Agreement to the GSA, except if provided otherwise in the Agreement; where information is required from the other beneficiaries, the coordinator is responsible for obtaining and verifying this information before passing it on to the GSA;
- (c) must make the appropriate arrangements for providing any financial guarantees required under the Agreement;
- (d) must establish the requests for payment and the reports in accordance with the Agreement;
- (e) where it is designated as the sole recipient of payments on behalf of all of the beneficiaries, must ensure that all the appropriate payments are made to the other beneficiaries without unjustified delay;
- (f) is responsible for providing all the necessary documents in the event of checks and audits initiated before the payment of the balance, and in the event of evaluation in accordance with Article II.27.

The coordinator may not subcontract any part of its tasks to the other beneficiaries or to any other party.

## **ARTICLE II.3 – COMMUNICATIONS BETWEEN THE PARTIES**

### **II.3.1 Form and means of communications**

Any communication relating to the Agreement or to its implementation must:

- (a) be made in writing (in paper or electronic form),
- (b) bear the number of the Agreement and
- (c) be made using the communication details identified in Article I.7.

If a party requests written confirmation of an electronic communication within a reasonable time, the sender must provide an original signed paper version of the communication as soon as possible.

### **II.3.2 Date of communications**

Any communication is considered to have been made when the receiving party receives it, unless the agreement refers to the date when the communication was sent.

E-mail is considered to have been received by the receiving party on the day of dispatch of that e-mail, provided that it is sent to the e-mail address indicated in Article I.7. The sending party must be able to prove the date of dispatch. In case of non-delivery report, the sending party must make every effort to ensure the actual receipt of the communication by the other party by e-mail or mail. In such a case, the sending party is not held in breach of its obligation to send such communication within a specified deadline.

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Mail sent to the GSA using the postal or courier services is considered to have been received by the GSA on the date on which it is registered by the department identified in Article I.7.2.

*Formal notifications* are considered to have been received by the receiving party on the date of receipt indicated in the proof received by the sending party that the message was delivered to the specified recipient.

#### ARTICLE II.4 – LIABILITY FOR DAMAGES

**II.4.1** The GSA may not be held liable for any damage caused or sustained by any of the beneficiaries, including any damage caused to third parties as a consequence of or during the implementation of the *action*.

**II.4.2** Except in cases of *force majeure*, the beneficiaries must compensate the GSA 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.

#### ARTICLE II.5 – CONFLICT OF INTERESTS

**II.5.1** The beneficiaries must take all necessary measures to prevent any situation of *conflict of interests*.

**II.5.2** The beneficiaries must inform the GSA without delay of any situation constituting or likely to lead to a *conflict of interests*. They must take immediately all the necessary steps to rectify this situation.

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

#### ARTICLE II.6 – CONFIDENTIALITY

**II.6.1** During implementation of the *action* and for five years after the payment of the balance, the parties must treat with confidentiality any *confidential information and documents*.

**II.6.2** The parties may not use *confidential information and documents* for any reason other than fulfilling their obligations under the Agreement without the prior written agreement of the other party.

**II.6.3** The confidentiality obligations do not apply if:

- (a) the disclosing party agrees to release the other party from those obligations;
- (b) the *confidential information or documents* become public through other means than in breach of the confidentiality obligations;
- (c) the disclosure of the *confidential information or documents* is required by law.

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## ARTICLE II.7 – PROCESSING OF PERSONAL DATA

### II.7.1 Processing of personal data by the Commission

Any personal data included in the Agreement must be processed by the GSA in accordance with Regulation (EC) No 45/2001<sup>6</sup>.

Such data must be processed by the data controller identified in Article I.7.1 solely for the purposes of the implementation, management and monitoring of the Agreement or protecting the financial interests of the EU, including checks, audits and investigations in accordance with Article II.27.

The beneficiaries have the right to access and correct their own personal data. For this purpose, they must send any queries about the processing of their personal data to the data controller identified in Article I.7.1.

The beneficiaries may have recourse at any time to the European Data Protection Supervisor.

### II.7.2 Processing of personal data by the beneficiaries

The beneficiaries shall process personal data under the Agreement in compliance with applicable EU and national law on data protection (including authorisations or notification requirements).

The beneficiaries may grant their personnel access only to data that is strictly necessary for implementing, managing and monitoring the Agreement.

The beneficiaries must adopt appropriate technical and organisational security measures having regard to the risks inherent in the processing and to the nature of the personal data concerned, in order to:

- (a) prevent any unauthorised person from gaining access to computer systems processing personal data, and especially:
  - (i) unauthorised reading, copying, alteration or removal of storage media;
  - (ii) unauthorised data input as well as any unauthorised disclosure, alteration or erasure of stored personal data;
  - (iii) unauthorised use of data-processing systems by means of data transmission facilities;

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<sup>6</sup> Regulation (EC) No 45/2001 of the European Parliament and of the Council of 18 December 2000 on the protection of individuals with regard to the processing of personal data by the Community institutions and bodies and on the free movement of such data.

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- (b) ensure that authorised users of a data-processing system can access only the personal data to which their access right refers;
- (c) record which personal data have been communicated, when and to whom;
- (d) ensure that personal data processed on behalf of third parties can be processed only in the manner prescribed by the GSA;
- (e) ensure that, during communication of personal data and transport of storage media, the data cannot be read, copied or erased without authorisation;
- (f) design their organisational structure in such a way that it meets data protection requirements.

## ARTICLE II.8 – VISIBILITY OF EUROPEAN UNION FUNDING

### II.8.1 Information on European Union funding and use of European Union emblem

Unless the GSA requests or agrees otherwise, any communication or publication related to the *action*, made by the beneficiaries jointly or individually, including at conferences, seminars or in any information or promotional materials (such as brochures, leaflets, posters, presentations, in electronic form, etc.), must:

- (a) indicate that the *action* has received funding from the European Union and
- (b) display the European Union/GSA emblem.

When displayed in association with another logo, the European Union emblem must have appropriate prominence.

The obligation to display the European Union emblem does not confer to the beneficiaries a right of exclusive use. The beneficiaries may not appropriate the European Union emblem or any similar trademark or logo, either by registration or by any other means.

For the purposes of the first, second and third subparagraphs and under the conditions specified therein, the beneficiaries may use the European Union emblem without first obtaining permission from the GSA.

### II.8.2 Disclaimers excluding GSA responsibility

Any communication or publication related to the *action*, made by the beneficiaries jointly or individually in any form and using any means, must indicate:

- (a) that it reflects only the author's view; and
- (b) that the GSA is not responsible for any use that may be made of the information it contains.

## ARTICLE II.9– PRE-EXISTING RIGHTS AND OWNERSHIP AND USE OF THE RESULTS (INCLUDING INTELLECTUAL AND INDUSTRIAL PROPERTY RIGHTS)

### II.9.1 Ownership of the results by the beneficiaries

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Unless stipulated otherwise in the Agreement, the beneficiaries retain ownership of the results of the *action*, including industrial and intellectual property rights, and of the reports and other documents relating to it.

## II.9.2 Pre-existing rights

On written request of the European Commission/GSA, specifying which of the results the Commission/GSA intends to use, the beneficiaries must:

- (a) establish a list specifying all *pre-existing rights* included in those results and
- (b) provide this list to the Commission/GSA at the latest with the request for payment of the balance.

The beneficiaries must ensure that they or their affiliated entities have all the rights to use any *pre-existing rights* during the implementation of the Agreement.

## II.9.3 Rights of use of the results and of pre-existing rights by the European Union

The beneficiaries grant the European Union and the GSA the following rights to use the results of the *action*:

- (a) use for its own purposes, and in particular, making available to persons working for the Commission, other European Union institutions, agencies and bodies and to Member States' institutions, as well as, copying and reproducing in whole or in part and in unlimited number of copies;
- (b) reproduction: the right to authorise direct or indirect, temporary or permanent reproduction of the results by any means (mechanical, digital or other) and in any form, in whole or in part;
- (c) communication to the public: the right to authorise any display performance or communication to the public, by wire or wireless means, including the making available to the public of the results in such a way that members of the public may access them from a place and at a time individually chosen by them; this right also includes the communication and broadcasting by cable or by satellite;
- (d) distribution: the right to authorise any form of distribution of results or copies of the results to the public;
- (e) adaptation: the right to modify the results;
- (f) translation;
- (g) the right to store and archive the results in line with the document management rules applicable to the European Commission/GSA, including digitisation or converting the format for preservation or new use purposes;

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- (h) where the results are documents, the right to authorise the reuse of the documents in conformity with the Commission Decision of 12 December 2011 on the reuse of Commission documents (2011/833/EU), to the extent it is applicable and the documents fall within its scope and are not excluded by any of its provisions; for the sake of this provision, "reuse" and "document" have the meaning given to it by this Decision.

The above rights of use may be further specified in the Special Conditions.

Additional rights of use for the European Union and the GSA may be provided for in the Special Conditions.

The beneficiaries must ensure that the European Union and the GSA has the right to use any *pre-existing rights* included in the results of the *action*. Unless specified otherwise in the Special Conditions, the *pre-existing rights* must be used for the same purposes and under the same conditions as applicable to the rights of use of the results of the *action*.

Information about the copyright owner must be inserted when the result is divulged by the European Union. The copyright information must read: '© – year – name of the copyright owner. All rights reserved. Licenced to the European Union under conditions.'

Granting rights of use to the European Union/GSA does not affect its confidentiality obligations under Article II.6 nor the obligation of the beneficiaries under Article II.3.1.

## ARTICLE II.10 – AWARD OF CONTRACTS NECESSARY FOR THE IMPLEMENTATION OF THE ACTION

**II.10.1** Where the implementation of the *action* requires the procurement of goods, works or services, the beneficiaries must award the contract to the tender offering best value for money or, as appropriate, to the tender offering the lowest price. In doing so, they must avoid any *conflict of interests*.

The beneficiaries must ensure that the Commission/GSA, the European Court of Auditors and the European Anti-Fraud Office (OLAF) can exercise their rights under Article II.27 also towards their contractors.

**II.10.2** Beneficiaries that are 'contracting authorities' within the meaning of Directive 2004/18/EC<sup>7</sup> or 'contracting entities' within the meaning of Directive 2004/17/EC<sup>8</sup> must comply with the applicable national public procurement rules.

<sup>7</sup> Directive 2004/18/EC of the European Parliament and of the Council of 31 March 2004 on the coordination of procedures for the award of public work contracts, public supply contracts and public service contracts

<sup>8</sup> Directive 2004/17/EC of the European Parliament and of the Council of 31 March 2004 coordinating the procurement procedures of entities operating in the water, energy, transport and postal services sectors

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The beneficiaries must ensure that the conditions applicable to them under Articles II.4, II.5, II.6 and II.9 are also applicable to the contractor.

**II.10.3** The beneficiaries remain solely responsible for carrying out the *action* and for compliance with the provisions of the Agreement.

**II.10.4.** If the beneficiaries breach their obligations under Article II.10.1 the costs related to the contract concerned are considered ineligible in accordance with Article II.19.2 (c),\_(d) and (e).

If the beneficiaries breach their obligations under Article II.10.2 the grant may be reduced in accordance with Article II.25.4.

## **ARTICLE II.11 – SUBCONTRACTING OF TASKS FORMING PART OF THE ACTION**

**II.11.1** Beneficiaries may subcontract tasks forming part of the *action*, provided that, in addition to the conditions specified in Article II.10, the following conditions are complied with:

- (a) subcontracting does not cover core tasks of the *action*;
- (b) recourse to subcontracting is justified having regard to the nature of the *action* and what is necessary for its implementation;
- (c) the estimated costs of the subcontracting are clearly identifiable in the estimated budget set out in Annex III;
- (d) any recourse to subcontracting, if not provided for in Annex I, is communicated by the coordinator and approved by the GSA. Such an approval may be given by the GSA:

(i) before any recourse to subcontracting, if the beneficiaries request an amendment in accordance with Article II.13 or

(ii) after recourse to subcontracting if it:

- is specifically justified in the interim or final technical report referred to in Articles I.4.3 and I.4.4 and

- does not entail changes to the Agreement which would call into question the decision awarding the grant or breach the principle of equal treatment of applicants;

- (e) the beneficiaries ensure that the conditions applicable to them under Article II.8 are also applicable to the subcontractor.

**II.11.2** If the beneficiaries breach their obligations under Article II.11.1 (a), (b), (c) or (d), the costs related to the contract concerned are considered ineligible in accordance with Article II.19.2 (f).

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If the beneficiaries breach their obligation under Article II.11.1 (e) the grant may be reduced in accordance with Article II.25.4.

## ARTICLE II.12 – FINANCIAL SUPPORT TO THIRD PARTIES

**II.12.1** Where the implementation of the *action* requires giving financial support to third parties, the beneficiaries must give such financial support in accordance with the conditions specified in Annex I, which must at least contain:

- (a) the maximum amount of financial support; This amount may not exceed EUR 60 000 for each third party except where the financial support is the primary aim of the *action* as specified in Annex I;
- (b) the criteria for determining the exact amount of the financial support;
- (c) the different types of activity that may receive financial support, on the basis of a fixed list;
- (d) the definition of the persons or categories of persons which may receive financial support;
- (e) the criteria for giving the financial support.

**II.12.2** As an exception to Article II.12.1, in case the financial support takes the form of a prize, the beneficiaries must give such financial support in accordance with the conditions specified in Annex I, which must at least contain:

- (a) the conditions for participation;
- (b) the award criteria;
- (c) the amount of the prize;
- (d) the payment arrangements.

**II.12.3** The beneficiaries must ensure that the conditions applicable to them under Articles II.4, II.5, II.6, II.8, II.9 and II.27 are also applicable to the third parties receiving financial support.

## ARTICLE II.13 – AMENDMENTS TO THE AGREEMENT

**II.13.1** Any amendment to the Agreement must be made in writing.

**II.13.2** An amendment may not have the purpose or the effect of making changes to the Agreement which would call into question the decision awarding the grant or be contrary to the equal treatment of applicants.

**II.13.3** Any request for amendment must:

- (a) be duly justified
- (b) be accompanied by appropriate supporting documents and
- (c) be sent to the other party in due time before it is due to take effect, and in any case one month before the end of the implementation period.

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Point (c) does not apply in cases duly substantiated by the party requesting the amendment if the other party agrees.

**II.13.4** A request for amendment on behalf of the beneficiaries must be submitted by the coordinator. If a change of coordinator is requested without its agreement, the request must be submitted by all other beneficiaries and must be accompanied by the opinion of the coordinator or proof that this opinion has been requested in writing.

**II.13.5** Amendments enter into force on the date on which the last party signs or on the date of approval of the request for amendment.

Amendments take effect on a date agreed by the parties or, in the absence of such an agreed date, on the date on which the amendment enters into force.

#### ARTICLE II.14 – ASSIGNMENT OF CLAIMS FOR PAYMENTS TO THIRD PARTIES

**II.14.1** The beneficiaries may not assign any of their claims for payment against the GSA to any third party, except if approved by the GSA on the basis of a reasoned, written request by the coordinator made on behalf of the beneficiaries.

If the GSA has not accepted the assignment or the terms of it are not observed, the assignment has no effect on it.

**II.14.2** In no circumstances may an assignment release the beneficiaries from their obligations towards the GSA.

#### ARTICLE II.15 – FORCE MAJEURE

**II.15.1** A party faced with *force majeure* must send a *formal notification* to the other party without delay, stating the nature of the situation or of the event, its likely duration and foreseeable effects.

**II.15.2** The parties must take the necessary measures to limit any damage due to *force majeure*. They must do their best to resume the implementation of the *action* as soon as possible.

**II.15.3** The party faced with *force majeure* may not be considered in breach of its obligations under the Agreement if it has been prevented from fulfilling them by *force majeure*.

#### ARTICLE II.16 – SUSPENSION OF THE IMPLEMENTATION OF THE ACTION

##### II.16.1 Suspension of the implementation by the beneficiaries

The coordinator, on behalf of the beneficiaries, may suspend the implementation of the *action* or any part of it, if exceptional circumstances make such implementation impossible or excessively difficult, in particular in the event of *force majeure*.

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The coordinator must immediately inform the GSA stating:

- (a) the reasons for suspension including details about the date or period when the exceptional circumstances occurred; and
- (b) the expected date of resumption.

Once the circumstances allow resuming the implementation of the *action* the coordinator must inform the GSA immediately and present a request for amendment of the Agreement as provided for in Article II.16.3. This obligation does not apply if the Agreement or the participation of a beneficiary is terminated in accordance with Articles II.17.1, II.17.2 or points (c) or (d) of Article II.17.3.1.

## **II.16.2 Suspension of the implementation by the GSA**

### **II.16.2.1 Grounds for suspension**

The GSA may suspend the implementation of the *action* or any part thereof:

- (a) if the GSA has evidence that a beneficiary has committed *substantial errors, irregularities or fraud* in the award procedure or in the implementation of the Agreement or if a beneficiary fails to comply with its obligations under the Agreement;
- (b) if the GSA has evidence that a beneficiary has committed, in other grants funded by the European Union or the European Atomic Energy Community ('Euratom') awarded to the beneficiary under similar conditions, systemic or recurrent errors, *irregularities, fraud* or serious breach of obligations that have a material impact on this grant; or
- (c) if the GSA suspects *substantial errors, irregularities, fraud* or breach of obligations committed by a beneficiary in the award procedure or in the implementation of the Agreement and needs to verify whether they have actually occurred.

### **II.16.2.2 Procedure for suspension**

**Step 1** - Before suspending implementation of the *action*, the GSA must send a *formal notification* to the coordinator:

- (a) informing it of:
  - (i) its intention to suspend the implementation;
  - (ii) the reasons for suspension;
  - (iii) in the cases referred to in points (a) and (b) of Article II.16.2.1, the necessary conditions for resuming the implementation, and
- (b) inviting it to submit observations within 30 calendar days of receiving the formal notification.

**Step 2**- If the GSA does not receive observations or decides to pursue the procedure despite the observations it has received, it must send a *formal notification* to the coordinator informing it of:

- (a) the suspension of the implementation;

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- (b) the reasons for suspension; and
- (c) in the cases referred to in points (a) and (b) of Article II.16.2.1, the final conditions for resuming the implementation; or
- (d) in the case referred to in point (c) of Article II.16.2.1, the indicative date of completion of the necessary verification.

The coordinator must immediately inform the other beneficiaries of the suspension. The suspension takes effect five calendar days after the *formal notification* is received by the coordinator or on a later date specified in the *formal notification*.

Otherwise, the GSA must send a *formal notification* to the coordinator informing it that the suspension procedure is not continued.

### **II.16.2.3 Resuming the implementation**

In order to resume the implementation, the beneficiaries must endeavour to meet the notified conditions as soon as possible and must inform the GSA of any progress made.

If the conditions for resuming the implementation are met or the necessary verifications are carried out, the GSA must send a *formal notification* to the coordinator:

- (a) informing it that the conditions for lifting the suspension are met and
- (b) inviting it to present a request for amendment of the Agreement as provided for in Article II.16.3. This obligation does not apply if the Agreement or the participation of a beneficiary is terminated in accordance with Articles II.17.1, II.17.2 or points (c), (g) or (h) of Article II.17.3.1.

### **II.16.3 Effects of the suspension**

If the implementation of the *action* can be resumed and the Agreement is not terminated, an amendment to the Agreement must be made in accordance with Article II.13 in order to:

- (a) set the date on which the *action* is to be resumed;
- (b) extend the duration of the *action*; and
- (c) make other changes necessary to adapt the *action* to the new situation.

The suspension is 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 the period of suspension, for the implementation of the suspended *action* or the suspended part of it, may not be reimbursed or covered by the grant.

Suspension of the *action* implementation does not affect the GSA's right to terminate the Agreement or participation of a beneficiary in accordance with Article II.17.3, reduce the grant or recover amounts unduly paid in accordance with Articles II.25.4 and II.26.

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Neither party may claim damages due to suspension by the other party.

## ARTICLE II.17 – TERMINATION OF THE AGREEMENT

### II.17.1 Termination of the Agreement by the coordinator

The beneficiaries may terminate the Agreement.

The coordinator must send a *formal notification* of termination to the GSA, stating:

- (a) the reasons for termination and
- (b) the date on which the termination takes effect. This date must be set after the *formal notification*.

If no reasons are given or if the GSA considers the reasons do not justify termination, the Agreement is considered to have been terminated improperly.

The termination takes effect on the day specified in the *formal notification*.

### II.17.2 Termination of the participation of one or more beneficiaries by the coordinator

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 send a *formal notification* of termination to the GSA and inform the beneficiary concerned by termination.

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

The *formal notification* must include:

- (a) the reasons for termination;
- (b) the opinion of the beneficiary concerned by termination (or proof that this opinion has been requested in writing);
- (c) the date on which the termination takes effect. This date must be set after the *formal notification*, and
- (d) a request for amendment in accordance with Article II.17.4.2(a).

If no reasons are given or if the GSA considers that the reasons do not justify termination, the participation will be considered to have been terminated improperly.

The termination takes effect on the day specified in the *formal notification*.

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## **II.17.3 Termination of the Agreement or the participation of one or more beneficiaries by the GSA**

### **II.17.3.1 Grounds for termination**

The GSA may terminate the Agreement or the participation of any one or several beneficiaries, if:

- (a) a change to the beneficiary's legal, financial, technical, organisational or ownership situation is likely to affect the implementation of the Agreement substantially or calls into question the decision to award the grant;
- (b) following the termination of the participation of any one or several beneficiaries, the necessary modifications to the Agreement would call into question the decision awarding the grant or would result in unequal treatment of applicants;
- (c) the beneficiaries do not implement the *action* as specified in Annex I or if a beneficiary fails to comply with another substantial obligation incumbent on it under the Agreement;
- (d) the implementation of the *action* is prevented or suspended due to *force majeure* or exceptional circumstances 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 or any person that assumes unlimited liability for the debts of that beneficiary is subject to any of the situations provided for in points (a) or (b) of Article 106 (1) of the Financial Regulation<sup>9</sup>;
- (f) a beneficiary or any *related person* is subject to any of the situations provided for in points (c), (d), (e) or (f) of Article 106 (1) or to Article 106 (2) of the Financial Regulation;
- (g) the GSA has evidence that a beneficiary or any *related person* have committed *substantial errors, irregularities* or *fraud* in the award procedure or in the implementation of the Agreement, including in case of submission of false information or failure to provide required information;
- (h) the GSA has evidence that a beneficiary has committed, in other European Union 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, or
- (i) a beneficiary does not request an amendment to the Agreement to withdraw the participation of its affiliated entity which is in any of the situations provided for in points (f), (g) or (h) after having been requested to do so by the GSA through a *formal notification*.

### **II.17.3.2 Procedure for termination**

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<sup>9</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

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**Step 1-** Before terminating the Agreement or participation of one or more beneficiaries, the GSA must send a *formal notification* to the coordinator:

- (a) informing it of:
  - (i) its intention to terminate;
  - (ii) the reasons for termination; and
- (b) inviting it, within 45 calendar days of receiving the formal notification,:
  - (i) to submit observations on behalf of all beneficiaries and,
  - (ii) in case of point (c) of Article II.17.3.1, to inform the GSA of the measures to ensure compliance with the obligations under the Agreement.

**Step 2** - If the GSA does not receive observations or decides to pursue the procedure despite the observations it has received, it will send a *formal notification* to the coordinator informing it of the termination and the date on which it takes effect. The coordinator must immediately inform the other beneficiaries of the termination.

Otherwise, the GSA must send a *formal notification* to the coordinator informing it that the termination procedure is not continued.

The termination takes effect:

- (a) for terminations under points (a), (b), (c) and (e) of Article II.17.3.1: on the day specified in the *formal notification* of termination referred to in the second sub-paragraph (Step 2);
- (b) for terminations under points (d), (f), (g), (h) and (i) of Article II.17.3.1: on the day after the *formal notification* of termination referred to in the second sub-paragraph (Step 2) is received by the coordinator.

#### **II.17.4 Effects of termination**

##### **II.17.4.1 For termination of the Agreement:**

Within 60 (sixty) calendar days from the day on which the termination takes effect, the coordinator must submit a request for payment of the balance in accordance with Article I.4.4.

If the GSA does not receive the request for payment of the balance within the above deadline, only costs which are included in an approved technical report and, where relevant, in an approved financial statement, are reimbursed or covered by the grant.

If the Agreement is terminated by the GSA for breach of the obligation to submit the request for payment, the coordinator may not submit any request for payment after termination. In that case the second subparagraph applies.

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The GSA calculates the final grant amount as referred to in Article II.25 and the balance as referred to in Article I.5.4 on the basis of the reports submitted. Only costs incurred until termination takes effect are reimbursed or covered by the grant. Costs relating to contracts due for execution only after termination are not taken into account.

The GSA may reduce the grant in accordance with Article II.25.4. in case of:

- (a) improper termination of the Agreement by the coordinator within the meaning of Article II.17.1; or
- (b) termination of the Agreement by the GSA on the grounds set out in points (c), (f), (g), (h) and (i) of Article II.17.3.1.

Neither party may claim damages due to termination of the Agreement by the other party.

After termination, the beneficiaries' obligations, in particular those under Articles I.4, II.6, II.8, II.9, II.14, II.27 and any additional provisions on the use of the results as set out in the Special Conditions, continue to apply.

#### **II.17.4.2 For termination of the participation of one or more beneficiaries:**

**a)** The coordinator must submit a request for amendment including:

- (i) a proposal for reallocation of the tasks of the beneficiary or beneficiaries concerned by termination and,
- (ii) if necessary, the addition of one or more new beneficiaries to succeed the beneficiary or beneficiaries concerned in all their rights and obligations under the Agreement.

In case of termination by the GSA, the request must be submitted within 60 (sixty) calendar days from the day on which the termination takes effect.

In case of termination by the coordinator, the request must be included in the *formal notification* of termination referred to in Article II.17.2.

If termination takes effect after the end of the *implementation period*, 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 the request for amendment is rejected by the GSA, the Agreement may be terminated according to Article II.17.3.1 (b). The request for amendment may be rejected if it calls into question the decision awarding the grant or breaches the principle of equal treatment of applicants

**b)** The beneficiary concerned by termination must submit to the coordinator:

- (i) a technical report and

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- (ii) a financial statement covering the period from the end of the last reporting period to the date when termination takes effect.

This information must be included by the coordinator in the payment request for the next reporting period.

Only costs incurred by the beneficiary concerned until termination takes effect are reimbursed or covered by the grant. Costs relating to contracts due for execution only after termination are not taken into account.

The GSA may reduce the grant in accordance with Article II.25.4. in case of:

- (a) improper termination of the participation of a beneficiary by the coordinator within the meaning of Article II.17.2 or
- (b) termination of the participation of a beneficiary by the GSA on the grounds set out in points (c), (f), (g), (h) or (i) of Article II.17.3.1.

Neither party may claim damages due to termination by the other party.

After termination, the concerned beneficiary's obligations, in particular those under Articles I.4, II.6, II.8, II.9, II.14, II.27 and any additional provisions on the use of the results as set out in the Special Conditions, continue to apply.

#### **ARTICLE II.18 – APPLICABLE LAW, SETTLEMENT OF DISPUTES AND ENFORCEABLE DECISION**

**II.18.1** The Agreement is governed by the applicable European Union law complemented, where necessary, by the law of Belgium.

**II.18.2** In accordance with Article 272 TFEU, the General Court or, on appeal, the Court of Justice of the European Union, has a sole jurisdiction to hear any dispute between the European Union and any beneficiary concerning the interpretation, application or validity of the Agreement, if such dispute cannot be settled amicably.

**II.18.3** In accordance with Article 299 TFEU, for the purposes of recoveries within the meaning of Article II.26, the Commission may adopt an enforceable decision to impose pecuniary obligations on persons other than States.

An *action* may be brought against such decision before the General Court of the European Union in accordance with Article 263 TFEU.

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## PART B – FINANCIAL PROVISIONS

### ARTICLE II.19 – ELIGIBLE COSTS

#### II.19.1 Conditions for the eligibility of costs

*Eligible costs* of the *action* are costs actually incurred by the beneficiary which meet the following criteria:

- (a) they are incurred within the *implementation period*, with the exception of costs relating to the request for payment of the balance and the corresponding supporting documents referred to in Article I.4.4;
- (b) they are indicated in the estimated budget of the *action* set out in Annex III;
- (c) they are incurred in connection with the *action* as described in Annex I and are necessary for its implementation;
- (d) they are identifiable and verifiable, in particular being recorded in the accounting records of the beneficiary and determined according to the applicable accounting standards of the country where the beneficiary is established and with the usual cost accounting practices of the beneficiary;
- (e) they comply with the requirements of applicable tax and social legislation; and
- (f) they are reasonable, justified, and comply with the principle of sound financial management, in particular regarding economy and efficiency.

#### II.19.2 Eligible direct costs

To be eligible, the *direct cost* of the *action* must comply with the conditions of eligibility set out in Article II.19.1.

In particular, the following categories of costs are eligible *direct costs*, provided that they satisfy the conditions of eligibility set out in Article II.19.1 as well as the following conditions:

- (a) the costs of personnel working under an employment contract with the beneficiary or an equivalent appointing act and assigned to the *action*, provided that these costs are in line with the beneficiary's usual policy on remuneration.

Those costs include actual salaries plus social security contributions and other statutory costs included in the remuneration. They may also comprise additional remunerations, including payments on the basis of supplementary contracts regardless of the nature of those contracts, provided that they are paid in a consistent manner whenever the same kind of work or expertise is required, independently from the source of funding used;

The costs of natural persons working under a contract with the beneficiary other than an employment contract or seconded to the beneficiary by a third party against payment may be assimilated to such costs of personnel, provided that the following conditions are fulfilled:

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- (i) the natural person works under the instructions of the beneficiary and, unless otherwise agreed with the beneficiary, in the premises of the beneficiary;
  - (ii) the result of the work belongs to the beneficiary; and
  - (iii) the costs are not significantly different from the costs of staff performing similar tasks under an employment contract with the beneficiary;
- (b) costs of travel and related subsistence allowances, provided that these costs are in line with the beneficiary's usual practices on travel;
- (c) the depreciation costs of equipment or other assets (new or second-hand) as recorded in the accounting statements of the beneficiary, provided that the asset:
  - (i) is written off in accordance with the international accounting standards and the usual accounting practices of the beneficiary and
  - (ii) has been purchased in accordance with Article II.10.1 if the purchase occurred within the *implementation period*;

The costs of rental or lease of equipment or other assets are also eligible, provided that these costs do not exceed the depreciation costs of similar equipment or assets and are exclusive of any finance fee;

Only the portion of the equipment's depreciation, rental or lease costs corresponding to the *implementation period* and the rate of actual use for the purposes of the *action* may be taken into account. By way of exception, the Special Conditions may provide for the eligibility of the full cost of purchase of equipment, where justified by the nature of the *action* and the context of the use of the equipment or assets;

- (d) costs of consumables and supplies, provided that they:
  - (i) are purchased in accordance with Article II.10.1 and
  - (ii) are directly assigned to the *action*;
- (e) costs arising directly from requirements imposed by the Agreement (dissemination of information, specific evaluation of the *action*, audits, translations, reproduction), including the costs of requested financial guarantees, provided that the corresponding services are purchased in accordance with Article II.10.1;
- (f) costs entailed by *subcontracts* within the meaning of Article II.11, provided that the conditions laid down in Article II.11.1 (a), (b), (c) and (d) are met;

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- (g) costs of financial support to third parties within the meaning of Article II.12, provided that the conditions laid down in that Article are met;
- (h) duties, taxes and charges paid by the beneficiary, notably value added tax (VAT), provided that they are included in eligible *direct costs*, and unless specified otherwise in the Agreement.

### II.19.3 Eligible indirect costs

To be eligible, *indirect costs* of the *action* must represent a fair apportionment of the overall overheads of the beneficiary and must comply with the conditions of eligibility set out in Article II.19.1.

Unless otherwise specified in the Article I.3.2, eligible *indirect costs* must be declared on the basis of a flat rate of 7% of the total eligible *direct costs*.

### II.19.4 Ineligible costs

In addition to any other costs which do not fulfil the conditions set out in Article II.19.1, the following costs may not be considered eligible:

- (a) return on capital and dividends paid by a beneficiary;
- (b) debt and debt service charges;
- (c) provisions for losses or debts;
- (d) interest owed;
- (e) doubtful debts;
- (f) exchange losses;
- (g) costs of transfers from the GSA charged by the bank of a beneficiary;
- (h) costs declared by the beneficiary in the framework of another action receiving a grant financed from the European Union budget (including grants awarded by a Member State and financed from the European Union budget and grants awarded by other bodies than the Commission for the purpose of implementing the European Union budget); in particular, *indirect costs* may not be eligible under a grant for an action awarded to a beneficiary which already receives an operating grant financed from the European Union budget during the period in question;
- (i) contributions in kind from third parties;
- (j) excessive or reckless expenditure;
- (k) deductible VAT.

## ARTICLE II.20 – IDENTIFIABILITY AND VERIFIABILITY OF THE AMOUNTS DECLARED

### II.20.1 Declaring costs and contributions

The beneficiary must declare as eligible costs or requested contribution:

- (a) for actual costs: the costs it actually incurred for the *action*;
- (b) for unit costs or unit contributions: the amount obtained by multiplying the amount per unit specified in Article I.3.2(ii) by the actual number of units used or produced;

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- (c) for lump sum costs or lump sum contributions: the global amount specified in Article I.3.2(iii), subject to the proper implementation of the corresponding tasks or part of the *action* as described in Annex I;
- (d) for flat-rate costs or flat-rate contributions: the amount obtained by applying the flat rate specified in Article I.3.2(iv);
- (e) for unit costs declared on the basis of the beneficiary's usual cost accounting practices: the amount obtained by multiplying the amount per unit calculated in accordance with its usual cost accounting practices by the actual number of units used or produced;
- (f) for lump sum costs declared on the basis of the beneficiary's usual cost accounting practices: the global amount calculated in accordance with its usual cost accounting practices, subject to the proper implementation of the corresponding tasks or part of the *action*;
- (g) for flat-rate costs declared on the basis of the beneficiary's usual cost accounting practices: the amount obtained by applying the flat rate calculated in accordance with its usual cost accounting practices.

## II.20.2 Records and other documentation to support the costs and contributions declared

If requested to do so in the context of the checks or audits described in Article II.27, the beneficiary must provide:

- (a) for actual costs: adequate supporting documents to prove the costs declared, such as contracts, invoices and accounting records.

In addition, the beneficiary's usual accounting and internal control procedures must permit direct reconciliation of the amounts declared with the amounts recorded in its accounting statements as well as with the amounts indicated in the supporting documents;

- (b) for unit costs or unit contributions: adequate supporting documents to prove the number of units declared.

The beneficiary does not need to identify the actual eligible costs covered or to provide supporting documents, notably accounting statements, to prove the amount declared per unit;

- (c) for lump sum costs or lump sum contributions: adequate supporting documents to prove the proper implementation.

The beneficiary does not need to identify the actual eligible costs covered or to provide supporting documents, notably accounting statements, to prove the amount declared as lump sum;

- (d) for flat-rate costs or flat-rate contributions: adequate supporting documents to prove the eligible costs or requested contribution to which the flat rate applies.

The beneficiary does not need to identify the actual eligible costs covered or to provide supporting documents, notably accounting statements, for the flat rate applied;

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- (e) for unit costs declared on the basis of the beneficiary's usual cost accounting practices: adequate supporting documents to prove the number of units declared;
- (f) for lump sum costs declared on the basis of the beneficiary's usual cost accounting practices: adequate supporting documents to prove the proper implementation;
- (g) for flat-rate costs declared on the basis of the beneficiary's usual cost accounting practices: adequate supporting documents to prove the eligible costs to which the flat rate applies.

### **II.20.3 Conditions for compliance of the costs accounting practices**

**II.20.3.1** In the case of points (e), (f) and (g) of Article II.20.2, the beneficiary does not need to identify the actual eligible costs covered, but it must ensure that the cost accounting practices used for the purpose of declaring eligible costs are in compliance with the following conditions:

- (a) the cost accounting practices used constitute its usual cost accounting practices and are applied in a consistent manner, based on objective criteria independent from the source of funding;
- (b) the costs declared can be directly reconciled with the amounts recorded in its general accounts; and
- (c) the categories of costs used for the purpose of determining the costs declared are exclusive of any ineligible cost or costs covered by other forms of grant in accordance with Article I.3.2.

**II.20.3.2** If the Special Conditions provide so, the beneficiary may submit to the Commission/GSA a request for assessment of the compliance of its usual cost accounting practices. If required by the Special Conditions, the request must be accompanied by a certificate on the compliance of the cost accounting practices ('certificate on the compliance of the cost accounting practices').

The certificate on the compliance of the cost accounting practices must be:

- (a) produced by an approved auditor or, in case of public bodies, by a competent and independent public officer and
- (b) drawn up in accordance with Annex VIII.

The certificate must certify that the beneficiary's cost accounting practices used for the purpose of declaring eligible costs comply with the conditions laid down in the first subparagraph and with the additional conditions which may be laid down in the Special Conditions.

**II.20.3.3** Where the Commission has confirmed that the usual cost accounting practices of the beneficiary are in compliance, costs declared in application of these practices may not be challenged *ex post*, if:

- (a) the practices actually used comply with those approved by the Commission and
- (b) the beneficiary did not conceal any information for the purpose of their approval.

### **ARTICLE II.21 – ELIGIBILITY OF COSTS OF ENTITIES AFFILIATED TO THE BENEFICIARIES**

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Where the Special Conditions contain a provision on entities affiliated to the beneficiaries, costs incurred by such an entity are eligible, if:

- (a) they satisfy the same conditions under Articles II.19 and II.20 as apply to the beneficiary, and
- (b) the beneficiary the entity is affiliated to ensures that the conditions applicable to the beneficiary under Articles II.4, II.5, II.6, II.8, II.10, II.11 and II.27 are also applicable to the entity.

## ARTICLE II.22 – BUDGET TRANSFERS

Beneficiaries are allowed to adjust the estimated budget set out in Annex III by transfers between themselves and between the different budget categories, if the *action* is implemented as described in Annex I. This adjustment does not require an amendment of the Agreement in accordance with Article II.13.

However, the beneficiaries may not add costs relating to *subcontracts* not provided for in Annex 1, unless such additional *subcontracts* are approved in accordance with Article II.11.1(d).

As an exception to the first subparagraph, should beneficiaries want to modify the value of the contribution that each of them is entitled to as referred to in point (c) of II.26.3, the coordinator must request an amendment in accordance with Article II.13.

The first three subparagraphs do not apply to amounts which, in accordance with Article I.3.2(iii), take the form of lump sums.

## ARTICLE II.23 – NON COMPLIANCE WITH REPORTING OBLIGATIONS

The GSA may terminate the Agreement in accordance with Article II.17.3.1(c) and may reduce the grant in accordance with Article II.25.4 if the coordinator:

- (a) did not submit a request for interim payment or payment of the balance accompanied by the documents referred to in Articles I.4.3 or I.4.4 within 60 (sixty) calendar days following the end of the corresponding reporting period, and
- (b) still fails to submit such a request within 60 (sixty) calendar days following a written reminder sent by the GSA.

## ARTICLE II.24 – SUSPENSION OF PAYMENTS AND OF TIME LIMIT FOR PAYMENT

### II.24.1 Suspension of payments

#### II.24.1.1 Grounds for suspension

The GSA 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:

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- (a) if the GSA has evidence that a beneficiary has committed *substantial errors, irregularities or fraud* in the award procedure or in the implementation of the Agreement or if a beneficiary fails to comply with its obligations under the Agreement;
- (b) if the GSA has evidence that a beneficiary has committed, in other grants funded by the European Union or the European Atomic Energy Community ('Euratom') awarded to the beneficiary under similar conditions, systemic or recurrent errors, *irregularities, fraud* or serious breach of obligations that have a material impact on this grant; or
- (c) if the GSA suspects *substantial errors, irregularities, fraud* or breach of obligations committed by a beneficiary in the award procedure or in the implementation of the Agreement and needs to verify whether they have actually occurred.

#### **II.24.1.2 Procedure for suspension**

**Step 1** - Before suspending payments, the GSA must send a *formal notification* to the coordinator:

- (a) informing it of:
  - (i) its intention to suspend payments,
  - (ii) the reasons for suspension
  - (iii) in the cases referred to in points (a) and (b) of Article II.24.1.1, the necessary conditions for resuming payments and
- (b) inviting it to submit observations within 30 calendar days of receiving the *formal notification*.

**Step 2** - If the GSA does not receive observations or decides to pursue the procedure despite the observations it has received, it must send a *formal notification* to the coordinator informing it of:

- (a) the suspension of payments;
- (b) the reasons for suspension;
- (c) in the cases referred to in points (a) and (b) of Article II.24.1.1, the final conditions for resuming the implementation;
- (d) in the case referred to in point (c) of Article II.24.1.1, the indicative date of completion of the necessary verification.

The coordinator must immediately inform the other beneficiaries of the suspension. The suspension takes effect on the day the *formal notification* of suspension (Step 2) is sent by the GSA.

Otherwise, the GSA must send a *formal notification* to the coordinator informing it that the suspension procedure is not continued.

#### **II.24.1.3 Effects of suspension**

During the period of suspension of payments the coordinator is not entitled to submit:

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- (a) any requests for payments and supporting documents referred to in Articles I.4.2, I.4.3 and I.4.4 or,
- (b) where the suspension concerns the pre-financing payments or interim payments for one or several beneficiaries only, any requests for payments and supporting documents relating to the participation of the concerned beneficiary or beneficiaries in the *action*.

The corresponding requests for payments and supporting documents may be submitted as soon as possible after resumption of payments or may be included in the first request for payment due following resumption of payments in accordance with the schedule laid down in Article I.4.1.

The suspension of payments does not affect the right of the coordinator to suspend the implementation of the *action* in accordance with Article II.16.1 or to terminate the Agreement or the participation of a beneficiary in accordance with Article II.17.1 and Article II.17.2.

#### **II.24.1.4 Resuming payments**

In order to resume payments, the beneficiaries must endeavour to meet the notified conditions as soon as possible and must inform the GSA of any progress made.

If the conditions for resuming payments are met the suspension will be lifted. The GSA will send a *formal notification* to the coordinator.

#### **II.24.2 Suspension of the time limit for payments**

**II.24.2.1** The GSA may at any moment suspend the time limit for payment specified in Articles I.5.2, I.5.3 and I.5.4 if a request for payment cannot be approved because:

- (a) it does not comply with the provisions of the Agreement, or
- (b) the appropriate supporting documents have not been produced, or
- (c) there is a doubt about the eligibility of the costs declared in the financial statements and additional checks, reviews, audits or investigations are necessary.

**II.24.2.2** The GSA must send a *formal notification* to the coordinator informing it of:

- (a) the suspension and
- (b) the reasons for the suspension.

The suspension takes effect on the day the *formal notification* is sent by the GSA.

**II.24.2.3** 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 GSA if the suspension will continue.

[coord.] Initial	GSA Initial

If the payment deadline has been suspended due to the non-compliance of the technical reports or financial statements with the Agreement and the revised report or statement is not submitted or was submitted but is also rejected, the GSA may terminate the Agreement or the participation of the beneficiary in accordance with Article II.17.3.1(c), and reduce the grant in accordance with Article II.25.4.

## ARTICLE II.25 – CALCULATION OF THE FINAL AMOUNT OF THE GRANT

The final amount of the grant depends on the actual extent to which the *action* is implemented in accordance with the Agreement.

The final amount of the grant is calculated by the GSA at the time of payment of the balance in the following steps:

Step 1 – Application of the reimbursement rate to the eligible costs and addition of the unit, flat-rate of lump sum contributions

Step 2 – Limit to the *maximum amount of the grant*

Step 3 – Reduction due to the no-profit rule

Step 4 – Reduction due to improper implementation or breach of other obligations

### II.25.1 Step 1 - Application of the reimbursement rate to the eligible costs and addition of the unit, flat-rate of lump sum contributions

This step is applied as follows:

- (a) If, in accordance with Article I.3.2, the grant takes the form of the reimbursement of eligible costs, the reimbursement rate specified in that Article is applied to the eligible costs of the *action* approved by the GSA for the corresponding categories of costs, beneficiaries and affiliated entities;
- (b) If, in accordance with Article I.3.2, the grant takes the form of a unit contribution, the unit contribution specified that Article is multiplied by the actual number of units approved by the Commission for the corresponding beneficiaries and affiliated entities;
- (c) If, in accordance with Article I.3.2, the grant takes the form of a lump sum contribution, the lump sum specified in that Article for the corresponding beneficiaries and affiliated entities is applied, subject to the approval by the Commission of the proper implementation of the corresponding tasks or part of the *action* in accordance with Annex I;
- (d) If, in accordance with Article I.3.2, the grant takes the form of a flat-rate contribution, the flat rate referred to in that Article is applied to the eligible costs or to the contribution approved by the Commission for the corresponding beneficiaries and affiliated entities.

If Article I.3.2 provides for a combination of different forms of grant, the amounts obtained must be added.

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## II.25.2 Step 2 – Limit to the *maximum amount of the grant*

The total amount paid to the beneficiaries by the GSA may in no circumstances exceed the *maximum amount of the grant*.

If the amount obtained following Step 1 is higher than this maximum amount, the final amount of the grant is limited to the latter.

## II.25.3 Step 3 – Reduction due to the no-profit rule

The grant may not produce a profit for the beneficiaries, unless specified otherwise in the Special Conditions.

‘Profit’ means the surplus of the amount obtained following Steps 1 and 2 plus the total receipts of the *action*, over the total eligible costs of the *action*.

The total eligible costs of the *action* are the consolidated total eligible costs approved by the GSA for the categories of costs reimbursed in accordance with Article I.3.2.

The total receipts of the *action* are the consolidated total receipts established, generated or confirmed on the date on which the request for payment of the balance is drawn up by the coordinator.

The following are considered receipts:

- (a) income generated by the *action*;
- (b) financial contributions given by third parties to a beneficiary or to an affiliated entity, if they are specifically assigned by the third parties to the financing of the eligible costs of the *action* reimbursed by the GSA in accordance with Article I.3.2(i).

The following are however not considered receipts:

- (a) financial contributions by third parties, if they may be used to cover costs other than the eligible costs under the Agreement;
- (b) financial contributions by third parties with no obligation to repay any amount unused at the end of the *implementation period*.

If there is a profit, it will be deducted in proportion to the final rate of reimbursement of the actual eligible costs of the *action* approved by the GSA for the categories of costs referred to in Article I.3.2(i) (as compared to the amount calculated following Steps 1 and 2).

## II.25.4 Step 4 - Reduction due to improper implementation or breach of other obligations

The GSA may reduce the *maximum amount of the grant* if the *action* has not been implemented properly as described in Annex I (i.e. has not been implemented or has been implemented poorly, partially or late), or if another obligation under the Agreement has been breached.

[coord.] Initial	GSA Initial

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 GSA must send a *formal notification* to the coordinator:

- (a) informing it of:
  - (i) its intention to reduce the *maximum amount of the grant*,
  - (ii) the amount it intends to reduce
  - (iii) the reasons for reduction; and
- (b) inviting it to submit observations within 30 (thirty) calendar days of receiving the formal notification.

If the GSA does not receive any observations or decides to pursue reduction despite the observations it has received, it will send a *formal notification* informing the coordinator of its decision.

If the grant is reduced, the GSA must calculate the reduced 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) from the *maximum amount of the grant*.

The final amount of the grant will be the lower of the following two:

- (a) the amount obtained following Steps 1 to 3 or
- (b) the reduced grant amount following Step 4.

## ARTICLE II.26 – RECOVERY

### II.26.1 Recovery at the time of payment of the balance

Where the payment of the balance takes the form of a recovery, the coordinator must repay the GSA the amount in question, even if it has not been the final recipient of the amount due.

### II.26.2 Recovery after payment of the balance

Where an amount is to be recovered in accordance with Articles II.27.6, II.27.7 and II.27.8, the beneficiary concerned by the audit or OLAF findings must repay the GSA the amount in question. Where the audit findings do not concern a specific beneficiary (or its affiliated entities), the coordinator must repay the GSA the amount in question, even if it has not been the final recipient of the amount due.

Each beneficiary is responsible for the repayment of any amount unduly paid by the GSA as a contribution towards the costs incurred by its affiliated entities.

### II.26.3 Recovery procedure

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Before recovery, the GSA must send a formal notification to the beneficiary concerned:

- (a) informing it of its intention to recover the amount unduly paid;
- (b) specifying the amount due and the reasons for recovery and
- (c) inviting the beneficiary to make any observations within a specified period.

If no observations have been submitted or if, despite the observations submitted by the beneficiary, the GSA decides to pursue the recovery procedure, the GSA may confirm recovery by sending through a formal notification to the beneficiary a debit note, specifying the terms and the date for payment.

If payment has not been made by the date specified in the debit note, the GSA will recover the amount due:

- (a) by offsetting it, without the beneficiary's prior consent, against any amounts owed to the beneficiary concerned by the Commission/GSA or an executive agency (from the European Union or the European Atomic Energy Community (Euratom) budget) ('offsetting');

In exceptional circumstances, to safeguard the financial interests of the European Union, the GSA may offset before the due date.

An action may be brought against such offsetting before the General Court of the European Union in accordance with Article 263 TFEU;

- (b) by drawing on the financial guarantee where provided for in accordance with Article I.5.2 ('drawing on the financial guarantee');
- (c) by holding the beneficiaries jointly and severally liable up to the maximum EU contribution indicated, for each beneficiary, in the estimated budget (Annex III as last amended);
- (d) by taking legal action in accordance with Article II.18.2 or with the Special Conditions or by adopting an enforceable decision in accordance with Article II.18.3.

#### **II.26.4 Interest on late payment**

If payment is not made by the date in the debit note, the amount to be recovered will be increased by late-payment interest at the rate set out in Article I.5.5 from the day following the date for payment in the debit note up to and including the date the GSA receives full payment of the amount.

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

#### **II.26.5 Bank charges**

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Bank charges incurred in the recovery process must be borne by the beneficiary concerned, unless Directive 2007/64/EC<sup>10</sup> applies.

## ARTICLE II.27 – CHECKS, AUDITS AND EVALUATION

### II.27.1 Technical and financial checks, audits, interim and final evaluations

The Commission/GSA may, during the implementation of the *action* or afterwards, carry out technical and financial checks and audits in relation to the proper implementation of the *action* and compliance with the obligations under the Agreement. It may also check the statutory records of the beneficiaries for the purpose of periodic assessments of lump sum, unit cost or flat-rate amounts.

Information and documents provided in the framework of checks or audits must be treated on a confidential basis.

In addition, the Commission/GSA may carry out interim or final evaluation of the impact of the *action* measured against the objective of the European Union programme concerned.

Checks, audits or evaluations made by the Commission/GSA may be carried out either directly by its own staff or by any other outside body authorised to do so on its behalf.

Such checks, audits or evaluations may be initiated during the implementation of the Agreement and for a period of five years starting from the date of payment of the balance. This period is limited to three years if the *maximum amount of the grant* is not more than EUR 60 000.

The check, audit or evaluation procedures are considered to be initiated on the date of receipt of the letter of the Commission/GSA announcing it.

If the audit is carried out on an affiliated entity, the beneficiary concerned must inform the affiliated entity.

### II.27.2 Duty to keep documents

The beneficiaries must keep all original documents, especially accounting and tax records, stored on any appropriate medium, including digitalised originals when they are authorised by their respective national law and under the conditions laid down therein, for a period of five years starting from the date of payment of the balance.

This period is limited to three years if the *maximum amount of the grant* is not more than EUR 60 000.

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<sup>10</sup> Directive 2007/64/EC<sup>10</sup> 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

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The periods set out in the first and second subparagraphs are longer if there are on-going audits, appeals, litigation or pursuit of claims concerning the grant, including in the case referred to in Article II.27.7. In such cases, the beneficiaries must keep the documents until such audits, appeals, litigation or pursuit of claims are closed.

### II.27.3 Obligation to provide information

Where a check, audit or evaluation is initiated before the payment of the balance, the coordinator must provide any information, including information in electronic format, requested by the Commission/GSA or by any other outside body authorised by it. Where appropriate, the Commission/GSA may request such information to be provided directly by a beneficiary.

Where a check or audit is initiated after payment of the balance, such information must be provided by the beneficiary concerned.

In case the beneficiary concerned does not comply with the obligations set out in the first and second subparagraphs, the Commission/GSA may consider:

- (a) any cost insufficiently substantiated by information provided by the beneficiary as ineligible;
- (b) any unit, lump sum or flat-rate contribution insufficiently substantiated by information provided by the beneficiary as undue.

### II.27.4 On-the-spot visits

During an on-the-spot visit, the beneficiaries must allow Commission/GSA staff and outside personnel authorised by the Commission/GSA to have access to the sites and premises where the *action* is or was carried out, and to all the necessary information, including information in electronic format.

They must ensure that the information is readily available at the moment of the on-the-spot visit and that information requested is handed over in an appropriate form.

In case the beneficiary concerned refuses to provide access to the sites, premises and information in accordance with the first and second subparagraphs, the Commission/GSA may consider:

- (a) any cost insufficiently substantiated by information provided by the beneficiary as ineligible;
- (b) any unit, lump sum or flat-rate contribution insufficiently substantiated by information provided by the beneficiary as undue.

### II.27.5 Contradictory audit procedure

On the basis of the findings made during the audit, a provisional report ('draft audit report') must be drawn up. It must be sent by the Commission/GSA or its authorised representative to the beneficiary concerned, which must have 30 (thirty) calendar days from the date of receipt to submit observations. The final report ('final audit report') must be sent to the beneficiary concerned within 60 calendar days of expiry of the time limit for submission of observations.

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## II.27.6 Effects of audit findings

On the basis of the final audit findings, the Commission/GSA may take the measures which it considers necessary, including recovery at the time of payment of the balance or after payment of the balance of all or part of the payments made by it, in accordance with Article II.26.

In the case of final audit findings made after the payment of the balance, the amount to be recovered corresponds to the difference between the revised final amount of the grant, determined in accordance with Article II.25, and the total amount paid to the beneficiaries under the Agreement for the implementation of the *action*.

## II.27.7 Correction of systemic or recurrent errors, irregularities, fraud or breach of obligations

**II.27.7.1** The Commission/GSA may extend audit 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) the final audit findings are sent to the beneficiary concerned through a *formal notification*, together with the list of grants affected by the findings within the period referred to in Article II.27.1

The extension of findings may lead to:

- (a) the rejection of costs as ineligible,
- (b) reduction of the grant in accordance with Article II.25.4,
- (c) recovery of undue amounts in accordance with Article II.26,
- (d) suspension of payments in accordance with Article II.24.1
- (e) suspension of the *action* implementation in accordance with Article II.16.2,
- (f) termination in accordance with Article II.17.3.

**II.27.7.2** The Commission/GSA must send a *formal notification* to the beneficiary concerned informing it of the systemic or recurrent errors and of its intention to extend the audit findings, together with the list of grants affected.

- (a) If the findings concern eligibility of costs the procedure is as follows:

**Step 1** – The *formal notification* must include:

- (i) an invitation to submit observations on the list of grants affected by the findings;
- (ii) a request to submit revised financial statements for all grants affected;
- (iii) where possible, the correction rate for extrapolation established by the Commission to calculate the amounts to be rejected on the basis of the systemic or recurrent errors, *irregularities*, *fraud* or breach of obligations, if the beneficiary concerned:

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- would consider that the submission of revised financial statements is not possible or practicable or
- would not submit revised financial statements.

**Step 2** - The beneficiary concerned has 60 (sixty) calendar days from receiving the *formal notification* to submit observations and revised financial statements or to propose a duly substantiated alternative correction method. This period may be extended by the Commission/GSA in justified cases.

**Step 3** – If the beneficiary concerned submits revised financial statements taking account of the findings the Commission/GSA will define the amount to be corrected on the basis of those revised statements.

If the beneficiary proposes an alternative correction method and the Commission/GSA accepts it, the Commission/GSA must send a *formal notification* to the beneficiary concerned informing it of:

- (i) the acceptability of the alternative method and
- (ii) the revised eligible costs determined by applying this method.

Otherwise the Commission/GSA must send a *formal notification* to the beneficiary concerned informing it of:

- (i) the non-acceptability of the observations or the alternative method proposed and
- (ii) the revised eligible costs determined by applying the extrapolation method initially notified to the beneficiary.

If the systemic or recurrent errors, *irregularities*, *fraud* or breach of obligations are found after the payment of the balance, the amount to be recovered corresponds to the difference between:

- (i) the revised final amount of the grant, determined in accordance with Article II.25 on the basis of the revised eligible costs declared by the beneficiary and approved by the GSA or on the basis of the revised eligible costs after extrapolation, and
- (ii) the total amount paid to the beneficiaries under the Agreement for the implementation of the *action*;

(b) If the findings concern improper implementation or a breach of another obligation the procedure is as follows:

**Step 1** – The *formal notification* must include:

- (i) an invitation to submit observations on the list of grants affected by the findings and
- (ii) the correction flat-rate the Commission/GSA intends to apply to the *maximum amount of the grant* or to part of it according to the principle of proportionality.

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**Step 2** - The beneficiary concerned has 60 (sixty) calendar days from receiving the *formal notification* to submit observations or to propose a duly substantiated alternative flat-rate.

**Step 3** - If the Commission/GSA accepts the alternative flat rate proposed by the beneficiary, it must send a *formal notification* to the beneficiary concerned informing it of:

- (i) the acceptability of the alternative flat-rate and
- (ii) the corrected grant amount by applying this flat rate.

Otherwise the Commission/GSA must send a *formal notification* to the beneficiary concerned informing it of:

- (i) the non-acceptability of the observations or the alternative flat rate proposed and
- (ii) the corrected grant amount by applying the flat rate initially notified to the beneficiary.

If the systemic or recurrent errors, *irregularities*, *fraud* or breach of obligations are found after the payment of the balance, the amount to be recovered corresponds to the difference between:

- (i) the revised final amount of the grant after flat-rate correction and
- (ii) the total amount paid to the beneficiaries under the Agreement for the implementation of the *action*.

## II.27.8 Checks and inspections by OLAF

The European Anti-Fraud Office (OLAF) has the same rights as the Commission/GSA, notably right of access, for the purpose of checks and investigations.

By virtue of Council Regulation No 2185/96<sup>11</sup> and Regulation No 883/2013<sup>12</sup> OLAF may also carry out on-the-spot checks and inspections in accordance with the procedures laid down by European Union law for the protection of the financial interests of the European Union against *fraud* and other *irregularities*.

Where appropriate, OLAF findings may lead to recovery by the Commission/GSA.

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

## II.27.9 Checks and audits by the European Court of Auditors

<sup>11</sup> Council Regulation (Euratom, EC) No 2185/96 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

<sup>12</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),

[coord.] Initial	GSA Initial



The European Court of Auditors has the same rights as the Commission/GSA, notably right of access, for the purpose of checks and audits.

[coord.] Initial	GSA Initial

**ANNEX IV - MANDATE**

I, the undersigned,

[forename and surname of the legal representative of the future beneficiary signing this mandate],

representing,

[full official name of the future beneficiary] [ACRONYM]

[official legal status or form]<sup>13</sup>

[official registration No]<sup>14</sup>

[full official address]

[VAT number],

(‘the beneficiary’),

for the purposes of signature and implementation of the grant agreement [Title & No] with the GSA  
(‘the grant agreement’) for the action entitled [insert title of the action] (‘the *action*’)

hereby:

1. Mandate

[full official name of the coordinator] [ACRONYM]

[official legal status or form]

[official registration No]<sup>15</sup>

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<sup>13</sup> To be deleted or filled in according to the "Legal Entity" form

<sup>14</sup> To be deleted or filled in according to the "Legal Entity" form

<sup>15</sup> To be deleted or filled in according to the "Legal Entity" form

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[full official address]

[VAT number],

represented by [forename, surname and function of the legal representative of the coordinator] ('the coordinator')

to sign in my name and on my behalf the grant agreement and its possible subsequent amendments with the GSA.

2. Mandate the coordinator to act on behalf of the beneficiary in compliance with the grant agreement.

I hereby confirm that the beneficiary accepts all terms and conditions of the grant agreement and, in particular, all provisions affecting the coordinator and the other beneficiaries. In particular, I acknowledge that, by virtue of this mandate, the coordinator alone is entitled to receive funds from the GSA and distribute the amounts corresponding to the beneficiary's participation in the action.

I hereby accept that the beneficiary will do everything in its power to help the coordinator fulfil its obligations under the grant agreement, and in particular, to provide to the coordinator, on its request, whatever documents or information may be required.

I hereby declare that the beneficiary agrees that the provisions of the grant agreement, including this mandate, take precedence over any other agreement between the beneficiary and the coordinator which may have an effect on the implementation of the grant agreement.

This mandate is annexed to the grant agreement and forms an integral part of it.

SIGNATURE

[forename, surname, function of the legal representative of the mandating beneficiary]

[signature]

Done at [place], [date]

In duplicate in English.

[coord.] Initial	GSA Initial

**ANNEX VII - MODEL TERMS OF REFERENCE FOR THE CERTIFICATE ON THE FINANCIAL STATEMENTS****Terms of Reference for an Independent Report of Factual Findings on costs declared under a Framework Partnership Agreement financed under the Call for Proposals GSA/GRANT/01/2016**

This document sets out the 'Terms of Reference (ToR)' under which

[insert name of the beneficiary] ('the Beneficiary')

agrees to engage

[insert legal name of the auditor] ('the Auditor')

to produce an independent report of factual findings ('the Report') concerning the Financial Statement(s) drawn up by the [Beneficiary] for this grant agreement [insert number of the grant agreement, title of the action,] ('the Agreement'), and

to issue a 'Certificate on the Financial Statements (CFS)' referred to in Article II.23.2(d) of the Agreement based on the reporting template stipulated by the GSA.

The Agreement has been concluded under the Call for Proposals GSA/GRANT/02/2016 between the Beneficiary and the European GNSS Agency ('the Agency')

The Agency is mentioned as a signatory of the Agreement with the Beneficiary.

**1.1 Subject of the engagement**

The beneficiary must submit to the Agency the final report within 60 (sixty) days following the end of the last reporting period which should include, amongst other documents, a CFS for itself and for each of and its affiliated entities that requests a total EU contribution of EUR 325 000 or more, as reimbursement of actual costs and unit costs calculated on the basis of its usual cost accounting practices (see Article I.4.3.(c) of the Agreement). The CFS must cover all reporting periods of the beneficiary and its affiliated entities indicated above.

The CFS is composed of two separate documents:

- The Terms of Reference ('the ToR') to be signed by the Beneficiary and the Auditor;
- The Auditor's Independent Report of Factual Findings ('the Report') to be issued on the Auditor's letterhead, dated, stamped and signed by the Auditor (or the competent public

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officer) which includes the agreed-upon procedures ('the Procedures') to be performed by the Auditor, and the standard factual findings ('the Findings') to be confirmed by the Auditor.

If the CFS must be included in the final report according to Article I.4.3.(c) of the Agreement, the request for payment of the balance relating to the Agreement cannot be made without the CFS. However, the payment for reimbursement of costs covered by the CFS does not preclude the Agency, the European Anti-Fraud Office and the European Court of Auditors from carrying out checks, reviews, audits and investigations in accordance with Articles II.27.8 and II.27.9 of the Agreement.

## 1.2 Responsibilities

The Beneficiary:

- must draw up the Financial Statement(s) for the action financed by the Agreement in compliance with the obligations under the Agreement. The Financial Statement(s) must be drawn up according to the Beneficiary's accounting and bookkeeping system and the underlying accounts and records;
- must send the Financial Statement(s) to the Auditor;
- is responsible and liable for the accuracy of the Financial Statement(s);
- is responsible for the completeness and accuracy of the information provided to enable the Auditor to carry out the Procedures. It must provide the Auditor with a written representation letter supporting these statements. The written representation letter must state the period covered by the statements and must be dated;
- accepts that the Auditor cannot carry out the Procedures unless it is given full access to the Beneficiary's staff and accounting as well as any other relevant records and documentation.

The Auditor:

- is qualified to carry out statutory audits of accounting documents in accordance with Directive 2006/43/EC of the European Parliament and of the Council of 17 May 2006 on statutory audits of annual accounts and consolidated accounts, amending Council Directives 78/660/EEC and 83/349/EEC and repealing Council Directive 84/253/EEC or similar national regulations.
- must be independent from the Beneficiary, in particular, it must not have been involved in preparing the Beneficiary's Financial Statement(s);
- must plan work so that the Procedures may be carried out and the Findings may be assessed;
- must document the type, level and intensity of the checks made on the financial data contained in the Financial Statement(s), in particular on the staff calculation costs and compliance of the time recording internal systems of the beneficiary with the minimum requirements of the grant agreement;
- must adhere to the Procedures laid down and the compulsory report format;

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- must carry out the engagement in accordance with this ToR;
- must document matters which are important to support the Report;
- must base its Report on the evidence gathered;
- must submit the Report to the Beneficiary.

The European GNSS Agency sets out the Procedures to be carried out by the Auditor. The Auditor is not responsible for their suitability or pertinence. As this engagement is not an assurance engagement, the Auditor does not provide an audit opinion or a statement of assurance.

### 1.3 Applicable Standards

The Auditor must comply with these Terms of Reference and with<sup>16</sup>:

- the International Standard on Related Services ('ISRS') 4400 Engagements to perform Agreed-upon Procedures regarding Financial Information as issued by the International Auditing and Assurance Standards Board (IAASB);
- the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA). Although ISRS 4400 states that independence is not a requirement for engagements to carry out agreed-upon procedures, the Agency requires that the Auditor also complies with the Code's independence requirements.

The Auditor's Report must state that there is no conflict of interests in establishing this Report between the Auditor and the Beneficiary, and must specify - if the service is invoiced - the total fee paid to the Auditor for providing the Report.

### 1.4 Reporting

The Report must be written in the language of the Agreement (see Article I.4.3). Under Articles II.27.8 and II.27.8 of the Agreement, the Agency, the European Anti-Fraud Office and the Court of Auditors have the right to audit any work that is carried out under the action and for which costs are declared from the European Union budget. This includes work related to this engagement. The Auditor must provide access to all working papers (e.g. recalculation of hourly rates, verification of the time declared for the action) related to this assignment if the Agency, the European Anti-Fraud Office or the European Court of Auditors requests them.

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<sup>16</sup> Supreme Audit Institutions applying INTOSAI-standards may carry out the Procedures according to the corresponding International Standards of Supreme Audit Institutions and code of ethics issued by INTOSAI instead of the International Standard on Related Services ('ISRS') 4400 and the Code of Ethics for Professional Accountants issued by the IAASB and the IESBA

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### 1.5 Timing

The Report must be provided by dd Month yyyy.

### 1.6 Other terms

The Beneficiary and the Auditor can use this section to agree other specific terms, such as the Auditor's fees, liability, applicable law, etc. Those specific terms must not contradict the terms specified above.

legal name of the Auditor

legal name of the Beneficiary

name & function of authorised representative

name & function of authorised representative

dd Month yyyy

dd Month yyyy

Signature of the Auditor

Signature of the Beneficiary

[coord.] Initial	GSA Initial

## **Agreed-upon procedures to be performed and standard factual findings to be confirmed by the Auditor**

The GSA reserves the right to (i) provide the auditor with additional guidance regarding the procedures to be followed or the facts to be ascertained and the way in which to present them (this may include sample coverage and findings) or to (ii) change the procedures, by notifying the Beneficiary in writing. The procedures carried out by the auditor to confirm the standard factual finding are listed in the table below.

If this certificate relates to a Linked Third Party, any reference here below to ‘the Beneficiary’ is to be considered as a reference to ‘the Linked Third Party’.

The ‘result’ column has three different options: ‘C’, ‘E’ and ‘N.A.’:

- ‘C’ stands for ‘confirmed’ and means that the auditor can confirm the ‘standard factual finding’ and, therefore, there is no exception to be reported.
- ‘E’ stands for ‘exception’ and means that the Auditor carried out the procedures but cannot confirm the ‘standard factual finding’, or that the Auditor was not able to carry out a specific procedure (e.g. because it was impossible to reconcile key information or data were unavailable),
- ‘N.A.’ stands for ‘not applicable’ and means that the Finding did not have to be examined by the Auditor and the related Procedure(s) did not have to be carried out. The reasons of the non-application of a certain Finding must be obvious i.e. (i) if no cost was declared under a certain category then the related Finding(s) and Procedure(s) are not applicable; (ii) if the condition set to apply certain Procedure(s) are not met then the related Finding(s) and Procedure(s) are not applicable. For instance, for ‘beneficiaries with accounts established in a currency other than the euro’ the Procedure related to ‘beneficiaries with accounts established in euro’ is not applicable. Similarly, if no additional remuneration is paid, the related Finding(s) and Procedure(s) for additional remuneration are not applicable.

[coord.] Initial	GSA Initial



Ref	Procedures	Standard factual finding	Result  (C/E/ N.A.)
A	<b>ACTUAL PERSONNEL COSTS AND UNIT COSTS CALCULATED BY THE BENEFICIARY/PARTNER IN ACCORDANCE WITH ITS USUAL COST ACCOUNTING PRACTICE</b>		
	<p>The Auditor draws a sample of persons whose costs were declared in the Financial Statement(s) to carry out the procedures indicated in the consecutive points of this section A.</p> <p><i>(The sample should be selected randomly so that it is representative. Full coverage is required if there are fewer than 10 people (including employees, natural persons working under a direct contract and personnel seconded by a third party), otherwise the sample should have a minimum of 10 people, or 10% of the total, whichever number is the highest)</i></p> <p>The Auditor sampled [     ] people out of the total of [     ] people.</p>		

[coord.] Initial	GSA Initial



Ref	Procedures	Standard factual finding	Result  (C/E/ N.A.)
A.1	<p><b>PERSONNEL COSTS</b></p> <p><u>For the persons included in the sample and working under an employment contract or equivalent act (general procedures for individual actual personnel costs and personnel costs declared as unit costs)</u></p> <p>To confirm standard factual findings 1-5 listed in the next column, the Auditor reviewed following information/documents provided by the Beneficiary:</p> <ul style="list-style-type: none"> <li>a list of the persons included in the sample indicating the period(s) during which they worked for the action, their position (classification or category) and type of contract;</li> <li>the pay slips of the employees included in the sample;</li> <li>reconciliation of the personnel costs declared in the Financial Statement(s) with the accounting system (project accounting and general ledger) and payroll system;</li> <li>information concerning the employment status and employment conditions of personnel included in the sample, in particular their employment contracts or equivalent;</li> </ul>	<p>1) The employees were</p> <p>(i) directly hired by the Beneficiary in accordance with its national legislation,</p> <p>(ii) under the Beneficiary's sole technical supervision and responsibility and</p> <p>(iii) remunerated in accordance with the Beneficiary's usual practices.</p>	
		<p>2) Personnel costs were recorded in The Beneficiary's accounts/</p>	

[coord.] Initial	GSA Initial



Ref	Procedures	Standard factual finding	Result  (C/E/ N.A.)
	<ul style="list-style-type: none"><li>the Beneficiary's usual policy regarding payroll matters (e.g. salary policy, overtime policy, variable pay);</li><li>applicable national law on taxes, labour and social security and</li><li>any other document that supports the personnel costs declared.</li></ul> <p>The Auditor also verified the eligibility of all components of the retribution and recalculated the personnel costs for employees included in the sample.</p>	payroll system.	
		3) Costs were adequately supported and reconciled with the accounts and payroll records.	
		4) Personnel costs did not contain any ineligible elements.	
		5) There were no discrepancies between the personnel costs charged to the action and the costs recalculated by the Auditor.	

[coord.] Initial	GSA Initial



Ref	Procedures	Standard factual finding	Result  (C/E/ N.A.)
	<p><i>Further procedures if 'additional remuneration' is paid</i></p> <p>To confirm standard factual findings 6-7 listed in the next column, the Auditor:</p> <ul style="list-style-type: none"><li>• reviewed relevant documents provided by the Beneficiary (legal form, legal/statutory obligations, the Beneficiary's usual policy on additional remuneration, criteria used for its calculation...);</li><li>• recalculated the amount of additional remuneration eligible for the action based on the supporting documents received (full-time or part-time work, exclusive or non-exclusive</li></ul>	<p>6) The amount of additional remuneration paid corresponded to the Beneficiary's usual remuneration practices and was consistently paid whenever the same kind of work or expertise was required.</p>	

[coord.] Initial	GSA Initial



Ref	Procedures	Standard factual finding	Result  (C/E/ N.A.)
	dedication to the action, etc.) to arrive at the applicable FTE/year and pro-rata rate (see data collected in the course of carrying out the procedures under A.2 'Productive hours' and A.4 'Time recording system').  <i>IF ANY PART OF THE REMUNERATION PAID TO THE EMPLOYEE IS NOT MANDATORY ACCORDING TO THE NATIONAL LAW OR THE EMPLOYMENT CONTRACT ("ADDITIONAL REMUNERATION") IT CAN BE CHARGED IF IT WAS ELIGIBLE UNDER THE PROVISIONS OF SECTION 5.2.1 OF THE CALL FOR PROPOSAL MEANING IT WAS PAID IN A CONSISTENT MANNER WHENEVER THE SAME KIND OF WORK OR EXPERTISE IS REQUIRED, INDEPENDENTLY FROM THE SOURCE OF FUNDING USED.</i>	7) The criteria used to calculate the additional remuneration were objective and generally applied by the Beneficiary regardless of the source of funding used.	
	<u>For natural persons working under a contract with the Beneficiary other than an employment contract (in-house consultants) to be assimilated to such costs of personnel.</u>	8) The natural person worked under the Beneficiary's instructions.	
	To confirm standard factual findings 8-12 listed in the next column the Auditor reviewed following information/documents provided by the Beneficiary:	9) The natural person on the Beneficiary's premises, unless otherwise agreed with the Beneficiary.	

[coord.] Initial	GSA Initial



Ref	Procedures	Standard factual finding	Result  (C/E/ N.A.)
	<ul style="list-style-type: none"><li>the contracts, especially the cost, contract duration, work description, place of work, ownership of the results and reporting obligations to the Beneficiary;</li><li>the employment conditions of staff in the same category to compare costs and;</li><li>any other document that supports the costs declared and its registration (e.g. invoices, accounting records, etc.).</li></ul>	10) The results of work carried out belong to the Beneficiary.	
		11) Their costs were not significantly different from those for staff who performed similar tasks under an employment contract with the Beneficiary.	
		12) The costs were supported by audit evidence and registered in the accounts.	
	<b>PRODUCTIVE WORKING TIME</b>	13) The Beneficiary applied method 'annual productive days' corresponds to	

[coord.] Initial	GSA Initial





Ref	Procedures	Standard factual finding	Result  (C/E/ N.A.)
	<p>To confirm standard factual findings 13-14 listed in the next column, the Auditor reviewed relevant documents, especially national legislation, labour agreements and contracts and time records of the persons included in the sample, to verify that:</p> <ul style="list-style-type: none"><li>the annual productive days applied were calculated in accordance with the method described below,</li><li>the full-time equivalent (FTEs) ratios for employees not working full-time were correctly calculated.</li></ul> <p>The Auditor verified that working time was calculated on the time actually worked (excluding holidays, bank holidays, weekends and illness). If it is necessary for carrying out the project, time spent on internal meetings, studying general information, training, etc. can also be deducted from the working time. If this is done, time spent on these activities may under no circumstances be</p>	usual accounting practices.	
		14) For employees not working full-time the full-time equivalent (FTE) ratio was correctly applied.	

[coord.] Initial	GSA Initial



Ref	Procedures	Standard factual finding	Result  (C/E/ N.A.)
	<p>charged to the project nor may it be included in the calculation of overheads. The Auditor must have verified the time deducted for this purpose on the basis of reliable statistics or time recording.</p> <p>The amount per day will be calculated by dividing the yearly salary by the working days. The yearly salary can be estimated by using total individual annual staff costs for the last financial year and by applying an estimated salary increase for the period under which the project will be implemented, if necessary.</p> <p>The total personnel costs will result from multiplying the daily/hourly amount rate for the days/hours of work.</p> <p>Important:</p>		

[coord.] Initial	GSA Initial



Ref	Procedures	Standard factual finding	Result  (C/E/ N.A.)
	<p>Activities that cannot be deducted for the calculation of the working time and that cannot be charged to the project are: Sales and marketing; Preparation of proposals; Administrative time (often means “unsold” time).</p> <p>In principle, staff working full-time will be considered for verification purposes to be working 220 days per year, half-time staff 110 days per year. Any substantial deviation from this indicative working time needs to be justified and explained in the proposal, on basis of accounting evidence or a time recording system.</p>		
<b>A.3</b>	To verify that the time recording system ensures the fulfilment of all minimum requirements and that the days declared for the action were correct, accurate and properly authorised and	15) All persons recorded their time	

[coord.] Initial	GSA Initial



Ref	Procedures	Standard factual finding	Result  (C/E/ N.A.)
	<p>supported by documentation, the Auditor made the following checks for the persons included in the sample that declare time as worked for the action on the basis of time records:</p> <ul style="list-style-type: none"><li>• description of the time recording system provided by the Beneficiary/Partner (registration, authorisation, processing in the HR-system);</li><li>• its actual implementation;</li><li>• time records were signed at least monthly by the employees (on paper or electronically)</li><li>• and authorised by the project manager or another manager;</li></ul>	dedicated to the action on a <b>daily/ weekly/ monthly</b> basis using a <b>paper/computer-based</b> system. <i>(delete the answers that are not applicable)</i>	
		16) Their time-records were authorised at least monthly by the project manager or other superior.	
		17) Days declared were worked within the project period and were consistent with the presences/absences recorded in HR-records.	

[coord.] Initial	GSA Initial



Ref	Procedures	Standard factual finding	Result  (C/E/ N.A.)
	<ul style="list-style-type: none"><li>the days declared were worked within the project period;</li><li>there were no days declared as worked for the action if HR-records showed absence due to holidays or sickness (further cross-checks with travels are carried out in B.1 below) ;</li><li>the days charged to the action matched those in the time recording system.</li></ul> <p><i>ONLY THE DAYS WORKED ON THE ACTION CAN BE CHARGED. ALL WORKING TIME TO BE CHARGED SHOULD BE RECORDED THROUGHOUT THE DURATION OF THE PROJECT, ADEQUATELY SUPPORTED BY EVIDENCE OF THEIR REALITY AND RELIABILITY (SEE SPECIFIC PROVISIONS BELOW FOR PERSONS WORKING EXCLUSIVELY FOR THE ACTION WITHOUT TIME RECORDS).</i></p>	18) There were no discrepancies between the number of days charged to the action and the number of days recorded.	

[coord.] Initial	GSA Initial



Ref	Procedures	Standard factual finding	Result  (C/E/ N.A.)
A.4	<p><u>If the persons are working exclusively for the action and without time records</u></p> <p>For the persons selected that worked exclusively for the action without time records, the Auditor verified evidence available demonstrating that they were in reality exclusively dedicated to the action and that the Beneficiary signed a declaration confirming that they have worked exclusively for the action.</p>	19) The exclusive dedication is supported by a declaration signed by the Beneficiary's and by any other evidence gathered.	
B	<b>COSTS OF SUBCONTRACTING</b>		

[coord.] Initial	GSA Initial



Ref	Procedures	Standard factual finding	Result  (C/E/ N.A.)
B.1	<p><b>The Auditor obtained the detail/breakdown of subcontracting costs and sampled cost</b></p> <p><b>[    ] items selected randomly</b> (<i>full coverage is required if there are fewer than 10 items, otherwise the sample should have a minimum of 10 item, or 10% of the total, whichever number is highest</i>).</p> <p>To confirm standard factual findings 20-24 listed in the next column, the Auditor reviewed the following for the items included in the sample:</p> <ul style="list-style-type: none"><li>• the use of subcontractors was foreseen in the proposal;</li><li>• subcontracting costs were declared in the subcontracting category of the Financial Statement;</li><li>• supporting documents on the selection and award procedure were followed;</li><li>• the Beneficiary ensured best value for money or lowest price (key elements to appreciate the respect of this principle are the award of the subcontract to the bid offering best price-quality ratio or where applicable lowest price principle, under conditions of transparency and equal</li></ul>	20) The use of claimed subcontracting costs was foreseen in the proposal and costs were declared in the Financial Statements under the subcontracting category.	
		21) There were documents of requests to different providers, different offers and assessment of the offers before selection of the subcontractor in line with internal	

[coord.] Initial	GSA Initial



Ref	Procedures	Standard factual finding	Result  (C/E/ N.A.)
	<p>treatment. In case an existing framework contract was used the Beneficiary ensured it was established on the basis of the principle of best value for money under conditions of transparency and equal treatment);</p> <ul style="list-style-type: none"><li>• The requirements laid down under Article II.9 of the Grant Agreement were complied with.</li></ul> <p>In particular,</p> <p>i. if the Beneficiary/Partner acted as a contracting authority within the meaning of Directive 2004/18/EC or of Directive 2004/17/EC, the Auditor verified that the applicable national law on public procurement was followed and that the subcontracting complied with the Terms and Conditions of the Agreement.</p> <p>ii. if the Beneficiary did not fall under the above-mentioned category the Auditor verified that the Beneficiary followed their usual procurement rules and respected the Terms and Conditions of the Agreement.</p>	<p>procedures and procurement rules.</p> <p>Subcontracts were awarded in accordance with the principle of best value for money or lowest price when applicable</p> <p><i>(When different offers were not collected the Auditor explains the reasons provided by the Beneficiary/Partner)</i></p>	

[coord.] Initial	GSA Initial





Ref	Procedures	Standard factual finding	Result  (C/E/ N.A.)
	<p>For the items included in the sample the Auditor also verified that:</p> <ul style="list-style-type: none"><li>• the subcontracts were not awarded to other Beneficiaries in the consortium;</li><li>• there were signed agreements between the Beneficiary and the subcontractor;</li><li>• there was evidence that the services were provided by that subcontractor;</li></ul>	<i>under the caption “Exceptions” of the Report. The GSA will analyse this information to evaluate whether these costs might be accepted as eligible)</i>	
		22) The subcontracts were not awarded to other Beneficiaries of the action.	
		23) All subcontracts were supported by signed agreements between the	

[coord.] Initial	GSA Initial



Ref	Procedures	Standard factual finding	Result  (C/E/ N.A.)
		Beneficiary and the subcontractor.	
<b>C</b>	<b>COSTS OF PROVIDING FINANCIAL SUPPORT TO THIRD PARTIES</b>		
	<p>The Auditor obtained the detail/breakdown of the costs of providing financial support to third parties in the form of sub-grants and sampled [ ] cost items selected randomly (<i>full coverage is required if there are fewer than 10 items, otherwise the sample should have a minimum of 10 item, or 10% of the total, whichever number is highest</i>).</p> <p>The Auditor verified that the following minimum conditions as laid down in Article II.11 of the Grant Agreement were met.</p> <p>.</p>	24) All minimum conditions were met	
<b>D</b>	<b>OTHER ACTUAL DIRECT COSTS</b>		
<b>D.1</b>	<b>COSTS OF TRAVEL AND RELATED SUBSISTENCE ALLOWANCES</b>	25) Costs were incurred approved and reimbursed in line with	

[coord.] Initial	GSA Initial



Ref	Procedures	Standard factual finding	Result  (C/E/ N.A.)
	<p><b>The Auditor sampled [ ] cost items selected randomly</b> <i>(full coverage is required if there are fewer than 10 items, otherwise the sample should have a minimum of 10 item, or 10% of the total, whichever number is the highest).</i></p> <p>The Auditor inspected the sample and verified that:</p> <ul style="list-style-type: none"> <li>travel and subsistence costs were consistent with the Beneficiary's usual policy for travel. In this context, the Beneficiary provided evidence of its normal policy for travel costs(e.g. use of first class tickets, reimbursement by the Beneficiary on the basis of actual costs, a lump sum or per diem) to enable the Auditor to compare the travel costs charged with this policy;</li> <li>travel costs are correctly identified and allocated to the action (e.g. trips are directly linked to the action) by reviewing relevant supporting documents such as minutes of meetings,</li> </ul>	<p>the Beneficiary's usual policy for travels.</p> <p>26) The supporting documents were consistent with each other regarding subject of the trip, dates, duration and reconciled with time records and accounting.</p> <p>27) No ineligible costs or excessive or reckless expenditure was declared.</p>	

[coord.] Initial	GSA Initial



Ref	Procedures	Standard factual finding	Result  (C/E/ N.A.)
	workshops or conferences, their registration in the correct project account, their consistency with time records or with the dates/duration of the workshop/conference;  <ul style="list-style-type: none"> <li>no ineligible costs or excessive or reckless expenditure was declared.</li> </ul>		
D.2	<b>DEPRECIATION, RENTAL AND LEASE COSTS OR CAPITAL EXPENDITURE FOR EQUIPMENT, INFRASTRUCTURE OR OTHER ASSETS</b>  <b>The Auditor sampled [    ] cost items selected randomly</b> <i>(full coverage is required if there are fewer than 10 items, otherwise the sample should have a minimum of 10 item, or 10% of the total, whichever number is the highest).</i>	28) Procurement rules, principles and guides were followed.	
		29) There was a link between the grant agreement and the asset charged to the action.	
		30) The asset charged to the action was traceable to the accounting records	

[coord.] Initial	GSA Initial



Ref	Procedures	Standard factual finding	Result  (C/E/ N.A.)
	For “equipment, infrastructure or other assets” [from now on called “asset(s)”] selected in the sample the Auditor verified that:  <ul style="list-style-type: none"><li>• procured specifically for the action and in accordance with Article II.9 of the Grant Agreement;</li><li>• they were entered in the accounting system AND<ul style="list-style-type: none"><li>• if the full purchase costs are declared as eligible costs they were treated as capital expenditure in accordance with the tax and accounting rules applicable to the Beneficiary and are recorded in the fixed assets account of its balance sheet AND will not have an economic value at the end of the action,</li></ul></li></ul> OR <ul style="list-style-type: none"><li>• if the respective depreciation costs were declared as eligible costs the asset has been purchased in accordance with the conditions applicable to implementation contracts and that it is written off in accordance with the international accounting standards and</li></ul>	and the underlying documents.  31) The depreciation method used to charge the asset specifically procure for the action was in line with the international accounting standards and international financial reporting standards, IAS/IFRS	
		32) The depreciation method used to charge the costs for	

[coord.] Initial	GSA Initial



Ref	Procedures	Standard factual finding	Result  (C/E/ N.A.)
	<p>international financial reporting standards, IAS/IFRS, regardless whether the beneficiary has to apply them or otherwise has diverging accounting practices;</p> <ul style="list-style-type: none"><li>the extent to which the assets were used for the action (as a percentage) was supported by reliable documentation (e.g. usage overview table);</li><li>only depreciation costs for equipment or other assets (new or second-hand) not procured specifically but directly used for the action in proportion to the usage for the action and only during its duration were recorded in the accounting statements of the beneficiary over the period of implementation of the action, provided that the asset is written off in accordance with the international accounting standards and the usual accounting practices of the beneficiary,</li><li>that no ineligible costs such as deductible VAT, exchange rate losses, excessive or reckless expenditure were declared.</li></ul>	equipment or other assets (new or second-hand) not procured specifically but directly used for it applied international accounting standards and the usual accounting practices of the beneficiary.	
E	USE OF EXCHANGE RATES		

[coord.] Initial	GSA Initial



Ref	Procedures	Standard factual finding	Result  (C/E/ N.A.)
E.1	<p>a) <u>For Beneficiary /Partners with accounts established in a currency other than euros</u></p> <p><b>The Auditor sampled [       ] cost items selected randomly and verified that the exchange rates used for converting other currencies into euros were in accordance with the following rules established in the Agreement ( full coverage is required if there are fewer than 10 items, otherwise the sample should have a minimum of 10 item, or 10% of the total, whichever number is highest):</b></p> <p><i>COSTS INCURRED IN ANOTHER CURRENCY SHALL BE CONVERTED INTO EURO AT THE AVERAGE OF THE DAILY EXCHANGE RATES PUBLISHED IN THE C SERIES OF OFFICIAL JOURNAL OF THE EUROPEAN UNION (<a href="https://www.ecb.int/stats/exchange/eurofxref/html/index.en.html">https://www.ecb.int/stats/exchange/eurofxref/html/index.en.html</a> ), DETERMINED OVER THE CORRESPONDING REPORTING PERIOD.</i></p> <p><i>IF NO DAILY EURO EXCHANGE RATE IS PUBLISHED IN THE OFFICIAL JOURNAL OF THE EUROPEAN UNION FOR THE CURRENCY IN QUESTION, CONVERSION SHALL BE MADE AT THE AVERAGE OF THE</i></p>	33) The exchange rates used to convert other currencies into Euros were in accordance with the rules established of the Grant Agreement and there was no difference in the final figures	

[coord.] Initial	GSA Initial



Ref	Procedures	Standard factual finding	Result  (C/E/ N.A.)
	<i>MONTHLY ACCOUNTING RATES ESTABLISHED BY THE COMMISSION AND PUBLISHED ON ITS WEBSITE (<a href="http://ec.europa.eu/budget/contracts_grants/info_contracts/inforeuro/inforeuro_en.cfm">http://ec.europa.eu/budget/contracts_grants/info_contracts/inforeuro/inforeuro_en.cfm</a>), DETERMINED OVER THE CORRESPONDING REPORTING PERIOD.</i>		
	<p><u>b) For Beneficiary /Partners with accounts established in euros, for BENEFCIARY/Partners transactions in foreign currencies</u></p> <p><b>The Auditor sampled [ ] cost items selected randomly and verified that the exchange rates used for converting other currencies into their accounting currency were in accordance with the following rules established in the Agreement ( full coverage is required if there are fewer than 10 items, otherwise the sample should have a minimum of 10 item, or 10% of the total, whichever number is highest):</b></p> <p><i>BENEFICIARIES MUST CONVERT COSTS INCURRED IN ANOTHER CURRENCY INTO THEIR ACCOUNTING CURRENCY ACCORDING TO THEIR USUAL ACCOUNTING PRACTICES.</i></p>	34) The Beneficiary/ applied its usual accounting practices.	

[coord.] Initial	GSA Initial





***[legal name of the audit firm]***

***[name and function of an authorised representative]***

***[dd Month yyyy]***

***<Signature of the Auditor>***

[coord.] Initial	GSA Initial

## ANNEX IX - PRE-EXISTING INTELLECTUAL PROPERTY RIGHTS

### NAME OF APPLICANT CONSORTIUM:

Name of Coordinator

Items	Definition/ Description of pre-existing intellectual property right	Owner	Specific limitations and/or conditions for implementation

Name of co-beneficiary

Items	Definition/ Description of pre-existing intellectual property right	Owner	Specific limitations and/or conditions for implementation



[coord.] Initial	GSA Initial