



The EU Framework Programme
for Research and Innovation

HORIZON 2020



H2020 Programme

Mono-Partner Model Framework Partnership Agreement

(H2020 FPA — Mono)

Version 5.0
18 October 2017

Disclaimer

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



HISTORY OF CHANGES		
Version	Publication date	Changes
1.0	11.12.2013	<ul style="list-style-type: none"> ▪ Not applicable
2.0 & 2.1	01.10.2014 01.10.2015	<ul style="list-style-type: none"> ▪ Initial version also including the following provision to the framework partnership agreement: <ul style="list-style-type: none"> – Article 44.1.2 "Information on EU funding – Obligation and right to use the EU emblem" in order to ensure more visibility of EU funding for any communication activity related to any infrastructure, equipment used and to major results of a H2020 action. ▪ Other minor drafting changes and corrections of clerical mistakes can be viewed in a version with tracked changes.
3.0	20.07.2016	<ul style="list-style-type: none"> ▪ The main changes compared to version 2.1 of the model grant agreement are as follows: <ul style="list-style-type: none"> – Article 9.2 '<i>Budget transfers</i>': increased budget flexibility for partners, which may transfer amounts between forms of costs within the direct personnel costs budget category without an amendment to the grant agreement even if they did not foresee that form of cost in Annex 2. – Article 40.1 '<i>Obligation to comply with ethical and research integrity principles</i>' in order to underline the standards of research integrity that partners must respect. – Article 40.2 '<i>Activities raising ethical issues</i>' in order to simplify the partners' reporting obligations on ethics before the beginning of an activity raising an ethical issue. – Article 42.1 '<i>General obligation to maintain confidentiality</i>' in order to allow broader access to confidential information in the case of the Commission/Agency staff, other EU institutions and bodies. – Article 56.3 '<i>Termination of the Agreement by the Commission/Agency</i>' : the Commission/Agency may terminate the Agreement if the partner did not request an amendment to the grant agreement to terminate the participation of its linked third party which is under the same conditions as it for which the Agreement may be terminated. For instance, the linked third party is bankrupt. Other minor drafting changes and corrections of clerical mistakes can be viewed in a version with tracked changes.
4.0	27.02.2017	<ul style="list-style-type: none"> ▪ The main changes compared to version 3.0 of the model grant agreement are under: <ul style="list-style-type: none"> – New Article 19a '<i>Implementation of action tasks by international partners</i>' – Article 58.1 '<i>Forms and means of communication</i>' ▪ Other minor drafting changes and corrections of clerical mistakes can be viewed in a version with tracked changes.
5.0	18.10.2017	<ul style="list-style-type: none"> ▪ The main changes compared to version 4.0 of the model grant agreement are under:

		<ul style="list-style-type: none">– Article 40 'Ethics and research integrity' to align the provisions on ethical and]research integrity principles to the new European Code for Research Integrity adopted ALLEA (All European Academies).▪ Other minor drafting changes and corrections of clerical mistakes can be viewed in a version with tracked changes.
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EUROPEAN COMMISSION
DG/Executive Agency

[Directorate]
[Unit][Director]



MODEL FRAMEWORK PARTNERSHIP AGREEMENT THE HORIZON 2020 PROGRAMME¹ (H2020 FPA — MONO)

 This model is made for RIA, IA and CSA actions only (i.e. the actions that normally use the General MGA). It would have to be further adapted for ERANET, PCP-PPI, EJP, ERC, MSC and SME Instrument actions.

- Footnotes blue will not appear in the text generated by the IT system for signature (since they are internal instructions only).
- Text in grey indicates that text which appears in the H2020 FPA — Multi does not apply in this agreement.
- For options [*in italics, in square brackets*]: the applicable option must be chosen in the IT system. Options not chosen will automatically either not appear or appear as 'not applicable'. Options chosen will appear *in italics* without brackets and without the Option title (to allow beneficiaries to easily spot that a specific rule applies).
- For fields in [grey in square brackets] (even if they are part of an option as specified in the previous item): enter the appropriate data in the IT system.
- The IT system will generate a data sheet confirming the options chosen and the data entered.
- Annexes:
Some Annexes come from the General MGA (see Annexes 3a –Declaration on joint and several liability of linked third parties, 5 – Model for the certificate on the financial statements and 6 – Model for the certificate on the methodology), but have been adapted to the specific needs of the FPA and SGA.
Any references in those Annexes 'beneficiary' must be read as 'partner'.

FRAMEWORK PARTNERSHIP AGREEMENT

NUMBER [insert number] — [insert acronym]

This 'Framework Partnership Agreement' is between the following parties:

on the one part,

¹ Regulation (EU) No 1291/2013 of the European Parliament and of the Council of 11 December 2013 establishing Horizon 2020 - the Framework Programme for Research and Innovation (2014-2020) ('H2020 Framework Programme Regulation No 1291/2013') (OJ L 347, 20.12.2013 p.104).

[OPTION 1: the European Union ('the EU'), represented by the European Commission ('the Commission')²,]

[OPTION 2: the European Atomic Energy Community ('Euratom'), represented by the European Commission ('the Commission')³,]

[OPTION 3: the [Research Executive Agency (REA)] [European Research Council Executive Agency (ERCEA)] [Innovation and Networks Executive Agency (INEA)] [Executive Agency for Small and Medium-sized Enterprises (EASME)] ('the Agency'), under the powers delegated by the European Commission ('the Commission')⁴,]

represented for the purposes of signature of this Framework Partnership Agreement by [[function, [Directorate-General, Directorate, Unit] [Department]], [forename and surname]⁵,

and

on the other part,

'the partner':

[full official name (short name)], established in [official address in full], **[OPTION for partners with VAT: VAT number [insert number],] [OPTION for partners not receiving EU funding: as 'partner not receiving EU funding' (see Article 14),]** represented for the purposes of signing the Framework Partnership Agreement by [function, forename and surname]

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

The Framework Partnership Agreement is composed of:

Terms and Conditions

Annex 1 Action plan⁶

Annex 2 Model Specific Agreement

Annex 1 Description of the specific action

Annex 2 Estimated budget for the specific action

Annex 3 Model for the financial statements

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

³ Text in *italics* shows the options of the Model Grant Agreement that are applicable to this Agreement.

⁴ Text in *italics* shows the options of the Model Grant Agreement that are applicable to this Agreement.

⁵ The person representing the Commission/Agency must be an authorising officer (by delegation or sub-delegation) designated in accordance with document 60008 of 22/02/2001 'Mise en place de la Charte des ordonnateurs'

⁶ The action plan should include the common objectives of the parties and the types of activities covered under this framework partnership that contribute to the achievement of those objectives.

Annex 4 Model for the certificate on the financial statements

Annex 3 Not applicable

[OPTION to be used if Article 19 applies and if joint and several liability has been requested by the [Commission][Agency]: 3a Declaration on joint and several liability of linked third parties]

Annex 4 Model for the certificate on the methodology

TERMS AND CONDITIONS

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CHAPTER 1 GENERAL

ARTICLE 1 — SUBJECT MATTER OF THE AGREEMENT

This Agreement establishes a long term cooperation (**‘framework partnership’**) and sets out its terms and conditions and the general terms and conditions and rights and obligations applicable to the specific grants that may be awarded by the [Commission][Agency] for the specific actions under the framework partnership.

CHAPTER 2 FRAMEWORK PARTNERSHIP

ARTICLE 2 — ACTION PLAN — AWARD OF SPECIFIC GRANTS — SPECIFIC AGREEMENTS

2.1 Action plan

The objectives and activities under the framework partnership are set out in the **‘action plan’** in Annex 1.

2.2 Award of specific grants for specific actions — Specific Agreements

The [Commission][Agency] may award **‘specific grants’** for actions to be implemented under the framework partnership (**‘specific actions’**).

[OPTION 1 by default: In order to obtain proposals for specific grants, the [Commission][Agency] will consult the partner on the basis of [a call for proposals][an invitation to submit a proposal]⁷[a call for proposals or an invitation to submit a proposal] that sets out the [selection and]⁸ award criteria it will apply. [This call will be [open to all partners for which this type of activity is included in an FPA action plan][open to all applicants meeting the announced criteria].] The partner is not obliged to respond to such consultations and may choose not to submit any proposal.]

[OPTION 2 if foreseen in the work programme: The partner must submit the proposals for specific grants (consisting of [insert documents to be submitted with proposal]) [for [insert the name(s) of the activity]] by [the date(s) specified in the action plan] [[insert date]].]

The [Commission] [Agency] will decide on the award of the specific grants following an evaluation of the proposal [and a competitive review across partners of different framework partnerships].

⁷ The invitation to submit a proposal is an option reserved:

- for monopoly situations or partners designated in the basic act;
- for cases where work is carried out in a network with pre-determined partners under the conditions laid down in the basic acts or
- for actions with specific characteristics that require a particular type of body on account of its technical competence, its high degree of specialisation or its administrative power, on condition that the actions concerned do not fall within the scope of a call for proposals.

⁸ Use this option if you opt for an open call for proposals ("a call for proposals open to all applicants meeting the announced criteria").

If the [Commission] [Agency] decides to award a specific grant, it will propose the partner to conclude a ‘**Specific Agreement (SGA)**’ (see Annex 2).

By entering into the Specific Agreement, the partner accepts the specific grant and agrees to implement the specific action under its own responsibility and in accordance with the Framework Partnership Agreement and the Specific Agreement, with all the obligations and conditions they set out.

Specific Agreements must be concluded before the end of the framework partnership (see Article 3).

After the end of the framework partnership or its termination, the Framework Partnership Agreement continues to apply to specific actions that are implemented under Specific Agreements which have entered into force before end of the duration.

ARTICLE 3 — DURATION AND STARTING DATE OF THE FRAMEWORK PARTNERSHIP

The Framework Partnership Agreement is concluded for a period of [insert number] of months ([...] years)⁹ as of its entry into force (see Article 64). This period cannot be extended.

ARTICLE 4 — RIGHTS AND OBLIGATIONS UNDER THE FRAMEWORK PARTNERSHIP

4.1 Obligation to properly implement the framework partnership

The partner must respect the objectives of the framework partnership and implement it as described in Annex 1 and endeavour to achieve those objectives also in the specific actions.

The partner must maintain relations of mutual co-operation and regular and transparent exchanges of information with the [Commission][Agency] on:

- the implementation and follow-up of the action plan and the specific grants and
- other matters of common interest related to the Framework Partnership Agreement.

The partner must implement the framework partnership in compliance with Articles 39, 40, 41, 42, 44, 45, 52 — *mutatis mutandis*.

4.2 Consortium agreement

Not applicable

⁹ Not more than four years, except in duly justified exceptional cases (for instance, to align it with the duration of the framework programme) (Article 178 RAP).

ARTICLE 5 — SUSPENSION OF FRAMEWORK PARTNERSHIP IMPLEMENTATION

The parties may suspend the implementation of the framework partnership on the grounds and according to the procedure — *mutatis mutandis* — set out in Article 55.

If the framework partnership implementation is suspended, all specific actions are also suspended (see Article 55) — from the date of suspension of the framework partnership.

ARTICLE 6 — TERMINATION OF THE FRAMEWORK PARTNERSHIP AGREEMENT

6.1 Termination of the Agreement

The parties may terminate the Framework Partnership Agreement at any time.

The party terminating the Framework Partnership Agreement must formally notify termination to the other party, stating the date the termination will **take effect**. This date must be after the notification.

Termination of the Framework Partnership Agreement does not release the parties from their obligations under Specific Agreements which have entered into force before the date on which the termination takes effect, unless they have been terminated.

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

6.2 Termination of the participation of one or more partners

Not applicable

CHAPTER 3 SPECIFIC GRANTS

SECTION 1 SPECIFIC ACTIONS

ARTICLE 7 — SPECIFIC ACTIONS TO BE IMPLEMENTED — COMPLEMENTARY GRANTS — JOINTLY FUNDED ACTIONS

The specific actions to be implemented (and whether they are complementary grants or jointly funded actions) are set out in the Specific Agreements (see Article 2 and Annex 1 SGA).

ARTICLE 8 — DURATION OF THE SPECIFIC ACTIONS

The duration of the specific actions is set out in the Specific Agreements (see Article 3 SGA).

ARTICLE 9 — ESTIMATED BUDGET AND BUDGET TRANSFERS

9.1 Estimated budget

The estimated budget for the specific actions is set out in Annex 2 to the Specific Agreements.

It contains the estimated eligible costs and the forms of costs, broken down for the partner *[and linked third party]*, per budget category (Articles 4, 5 SGA *[and Article 19 FPA]*). It also shows the estimated costs of the international partners, if applicable (see Article 12a SGA).

9.2 Budget transfers

The estimated budget breakdown indicated in Annex 2 to the Specific Agreements may be adjusted — without an amendment (see Article 61) — by transfers of amounts between budget categories and/or forms of costs set out in Annex 2 to the Specific Agreements, if the action is implemented as described in Annex 1 to the Specific Agreements.

However, the partner may not add costs relating to subcontracts not provided for in Annex 1 to the Specific Agreements, unless such additional subcontracts are approved by an amendment or in accordance with Article 11 SGA.

Moreover, lump sums set out in Annex 2 to the Specific Agreements can never be adjusted.

SECTION 2 SPECIFIC GRANTS

ARTICLE 10 — GRANT AMOUNT, FORM OF GRANT, REIMBURSEMENT RATES AND FORMS OF COSTS

10.1 Maximum grant amount

The maximum grant amount for the specific grants is set out in the Specific Agreements (see Article 4 SGA).

10.2 Form of grant, reimbursement rates and form(s) of costs

The form of the grant, reimbursement rate(s), estimated eligible costs and the form(s) of costs of the specific grants are set out in the Specific Agreements (see Article 4 SGA).

10.3 Final grant amount — Calculation

The final grant amount of a specific grant depends on the actual extent to which the specific action is implemented in accordance with the terms and conditions of the Framework Partnership Agreement and the Specific Agreement concerned.

This **amount** is calculated by the *[Commission][Agency]* — when the payment of the balance is made (see Article 17 SGA) — in the following steps:

Step 1 — Application of the reimbursement rates to the eligible costs

Step 2 — Limit to the maximum grant amount

Step 3 — Reduction due to the no-profit rule

Step 4 — Reduction due to substantial errors, irregularities or fraud or serious breach of obligations

10.3.1 Step 1 — Application of the reimbursement rates to the eligible costs

The reimbursement rate(s) (see Article 4 SGA) are applied to the eligible costs (actual costs, unit costs, flat-rate costs and lump sum costs; see Article 5 SGA) declared by the partner *[and the linked third parties]* (see Article 16 SGA) and approved by the *[Commission][Agency]* (see Article 17 SGA).

10.3.2 Step 2 — Limit to the maximum grant amount

If the amount obtained following Step 1 is higher than the maximum grant amount (see Article 4 SGA), it will be limited to the latter.

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

The specific grant must not produce a profit.

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

The **‘specific action’s total eligible costs’** are the consolidated total eligible costs approved by the *[Commission][Agency]*.

The **‘specific action’s total receipts’** are the consolidated total receipts generated during its duration (see Article 3 SGA).

The following are considered **receipts**:

- a) income generated by the specific action; if the income is generated from selling equipment or other assets purchased under the Specific Agreement, the receipt is up to the amount declared as eligible under the Specific Agreement;
- b) financial contributions given by third parties to the partner *[or to a linked third party]* specifically to be used for the specific action, and
- c) in-kind contributions provided by third parties free of charge specifically to be used for the specific action, if they have been declared as eligible costs.

The following are however not considered receipts:

- (a) income generated by exploiting the specific action’s results (see Article 34);
- (b) financial contributions by third parties, if they may be used to cover costs other than the eligible costs (see Article 5 SGA);

- (c) financial contributions by third parties with no obligation to repay any amount unused at the end of the period set out in Article 3 SGA.

If there is a profit, it will be deducted from the amount obtained following Steps 1 and 2.

10.3.4 Step 4 — Reduction due to substantial errors, irregularities or fraud or serious breach of obligations — Reduced grant amount — Calculation

If the specific grant is reduced (see Article 49), the *[Commission][Agency]* will calculate the reduced grant amount by deducting the amount of the reduction (calculated in proportion to the seriousness of the errors, irregularities or fraud or breach of obligations, in accordance with Article 49.2) from the maximum grant amount (see Article 4 SGA).

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

- the amount obtained following Steps 1 to 3 or
- the reduced grant amount following Step 4.

10.4 Revised final grant amount — Calculation

If — after the payment of the balance (in particular, after checks, reviews, audits or investigations; see Article 28) — the *[Commission][Agency]* rejects costs (see Article 48) or reduces the specific grant (see Article 49), it will calculate the ‘**revised final grant amount**’.

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

- in case of **rejection of costs**: by applying the reimbursement rate to the revised eligible costs approved by the *[Commission][Agency]*;
- in case of **reduction of the specific grant**: in proportion to the seriousness of the errors, irregularities or fraud or breach of obligations (see Article 49.2).

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

ARTICLE 11 — ELIGIBLE AND INELIGIBLE COSTS

11.1 Eligible costs

The general and specific conditions for costs to be eligible under the specific grants are set out in the Specific Agreements (see Article 5 SGA).

11.2 Ineligible costs

The conditions under which costs are considered ineligible under the specific grants are set out in the Specific Agreements (see Article 5 SGA).

11.3 Consequences of declaration of ineligible costs

Declared costs that are ineligible will be rejected (see Article 48).

This may also lead to any of the other measures described in Section 5.

SECTION 3 RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THE SPECIFIC GRANTS

SUBSECTION 1 RIGHTS AND OBLIGATIONS RELATED TO IMPLEMENTING THE SPECIFIC ACTIONS

ARTICLE 12 — GENERAL OBLIGATION TO PROPERLY IMPLEMENT THE SPECIFIC ACTIONS

12.1 General obligation to properly implement the actions

The partner must implement the specific actions as described in Annex 1 to the Specific Agreements and in compliance with the provisions of the Framework Partnership Agreement and the Specific Agreements and all legal obligations under applicable EU, international and national law.

12.2 Consequences of non-compliance

If the partner breaches any of its obligations under this Article, the specific grants may be reduced (see Article 49).

Such breaches may also lead to any of the other measures described in Section 5.

ARTICLE 13 — RESOURCES TO IMPLEMENT THE SPECIFIC ACTIONS — THIRD PARTIES INVOLVED IN THE ACTION

The rules on the resources to implement the specific actions and the involvement of third parties in the action are set out in the Specific Agreements (see Article 6 SGA).

ARTICLE 14 — IMPLEMENTATION OF ACTION TASKS BY A PARTNER NOT RECEIVING EU FUNDING

The rules for the implementation of action tasks if the partner does not receive EU funding but has linked third parties that do, are set out in the Specific Agreements (see Article 7 SGA).

ARTICLE 15 — PURCHASE OF GOODS, WORKS OR SERVICES

The rules for the purchase of goods works and services are set out in the Specific Agreements (see Article 8 SGA).

ARTICLE 16 — USE OF IN-KIND CONTRIBUTIONS PROVIDED BY THIRD PARTIES AGAINST PAYMENT

The rules for the use of in-kind contributions provided by third parties against payment are set out in the Specific Agreements (see Article 9 SGA).

ARTICLE 17 — USE OF IN-KIND CONTRIBUTIONS PROVIDED BY THIRD PARTIES FREE OF CHARGE

The rules for the use of in-kind contributions provided by third parties free of charge are set out in the Specific Agreements (see Article 10 SGA).

ARTICLE 18 — IMPLEMENTATION OF ACTION TASKS BY SUBCONTRACTORS

The rules for subcontracting action tasks are set out in the Specific Agreements (see Article 11 SGA).

ARTICLE 19 — IMPLEMENTATION OF ACTION TASKS BY LINKED THIRD PARTIES

[OPTION 1: The following affiliated entities¹⁰ and third parties with a legal link to the partner¹¹ ('linked third parties') may implement action tasks attributed to them in Annex 1 to a Specific Agreement:

- *[insert name of the entity (short name)], affiliated or linked to the partner, [[OPTION if joint and several liability has been requested: , if it has accepted joint and several liability with the partner (see Annex 3a)]*

¹⁰ For a definition see Article 2.1(2) Rules for Participation Regulation No 1290/2013 of the European Parliament and of the Council of 11 December 2013 laying down the rules for participation and dissemination in 'Horizon 2020-the Framework Programme for Research and Innovation (2014-2020)' ('Rules for Participation Regulation No 1290/2013') (OJ L 347, 20.12.2013, p. 81): 'affiliated entity' means any legal entity that is:

- under the direct or indirect control of a participant, or
- under the same direct or indirect control as the participant, or
- directly or indirectly controlling a participant.

'Control' may take any of the following forms:

- (a) the direct or indirect holding of more than 50% of the nominal value of the issued share capital in the legal entity concerned, or of a majority of the voting rights of the shareholders or associates of that entity;
- (b) the direct or indirect holding, in fact or in law, of decision-making powers in the legal entity concerned.

However, the following relationships between legal entities shall not in themselves constitute controlling relationships:

- (a) the same public investment corporation, institutional investor or venture-capital company has a direct or indirect holding of more than 50% of the nominal value of the issued share capital or a majority of voting rights of the shareholders or associates;
- (b) the legal entities concerned are owned or supervised by the same public body.

¹¹ 'Third party with a legal link to a partner' is any legal entity which has a legal link to the partner implying collaboration that is not limited to the action.

- [insert name of the entity (short name)], affiliated or linked to the partner, [[**OPTION if joint and several liability has been requested:** if it has accepted joint and several liability with the partner (see Annex 3a)];
[same for more linked third parties]

The rules for calling on linked third parties are set out in the Specific Agreements (see Article 12 SGA).]

[OPTION 2: Not applicable]

ARTICLE 19a — IMPLEMENTATION OF ACTION TASKS BY INTERNATIONAL PARTNERS

[OPTION 1: *The following **international partners**¹² may implement the action tasks attributed to them in Annex 1 to a Specific Agreement:*

- [name of the entity (short name)], international partner of the partner;
 - [name of the entity (short name)], international partner of the partner;
- [same for more international partners]

The rules for calling on international partners are set out in the Specific Agreements (see Article 12a SGA).]

[OPTION 2: Not applicable]

ARTICLE 20 — FINANCIAL SUPPORT TO THIRD PARTIES

The rules for providing financial support to third parties are set out in the Specific Agreements (see Article 13 SGA).

ARTICLE 21 — SUPPORT TO OR IMPLEMENTATION OF TRANS-NATIONAL PROJECTS

The rules for supporting trans-national projects are set out in the Specific Agreements (see Article 13a SGA).

ARTICLE 22 — PROVISION OF TRANS-NATIONAL OR VIRTUAL ACCESS TO RESEARCH INFRASTRUCTURES

The rules for providing trans-national access to research infrastructures are set out in the Specific Agreements (see Article 14 SGA).

SUBSECTION 2 RIGHTS AND OBLIGATIONS RELATED TO THE GRANT ADMINISTRATION

¹² 'International partner' is any legal entity established in a non-associated third country which is not eligible for funding under Article 10 of the Rules for Participation Regulation No 1290/2013.

ARTICLE 23 — GENERAL OBLIGATION TO INFORM

23.1 General obligation to provide information upon request

The partner must provide — during implementation of the specific actions or afterwards — any information requested in order to verify eligibility of the costs, proper implementation of the specific actions and compliance with any other obligation under the Framework Partnership Agreement and the Specific Agreements.

23.2 Obligation to keep information up to date and to inform about events and circumstances likely to affect the Agreements

The partner must keep information stored in the Participant Portal Beneficiary Register (via the electronic exchange system; see Article 58) up to date, in particular, its name, address, legal representatives, legal form and organisation type.

The partner must immediately inform the *[Commission]**[Agency]* of any of the following:

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

23.3 Consequences of non-compliance

If the partner breaches any of its obligations under this Article, the specific grant may be reduced (see Article 49).

Such breaches may also lead to any of the other measures described in Section 5.

ARTICLE 24 — KEEPING RECORDS — SUPPORTING DOCUMENTATION

24.1 Obligation to keep records and other supporting documentation

For each specific grant, the partner must — for a period of five years (and, for low value specific grants¹³, three years) after the payment of the balance — keep records and other supporting documentation in order to prove the proper implementation of the specific action and the costs it declares as eligible.

It must make them available upon request (see Article 23) or in the context of checks, reviews, audits or investigations (see Article 28).

If there are on-going checks, reviews, audits, investigations, litigation or other pursuits of claims under a Specific Agreement (including the extension of findings; see Article 28), the partner must keep the records and other supporting documentation until the end of these procedures.

The partner must keep the original documents. Digital and digitalised documents are considered originals if they are authorised by the applicable national law. The [Commission]/[Agency] may accept non-original documents if it considers that they offer a comparable level of assurance.

24.1.1 Records and other supporting documentation on the scientific and technical implementation

The partner must keep records and other supporting documentation on scientific and technical implementation of the specific action in line with the accepted standards in the respective field.

24.1.2 Records and other documentation to support the costs declared

The partner must keep the records and documentation supporting the costs declared, in particular the following:

- (a) for **actual costs**: adequate records and other supporting documentation to prove the costs declared, such as contracts, subcontracts, invoices and accounting records. In addition, the partner's usual cost accounting practices and internal control procedures must enable direct reconciliation between the amounts declared, the amounts recorded in its accounts and the amounts stated in the supporting documentation;
- (b) for **unit costs**: adequate records and other supporting documentation to prove the number of units declared. In case of **trans-national access to research infrastructure**, this documentation must include records of the names, nationalities, and home institutions of users, as well as the nature and quantity of access provided to them. The partner does not need to identify the actual eligible costs covered or to keep or provide supporting documentation (such as accounting statements) to prove the amount per unit.

¹³ For the definition, see Article 185 of Commission Delegated Regulation (EU) No 1268/2012 of 29 October 2012 on the rules of application of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council on the financial rules applicable to the general budget of the Union (OJ L 362, 31.12.2012, p. 1) ('**Rules of Application Regulation No 1268/2012**): 'low value grants' are lower or equal to EUR 60 000.

In addition, for **unit costs calculated in accordance with the partner's usual cost accounting practices**, the partner must keep adequate records and documentation to prove that the cost accounting practices used comply with the eligibility conditions set out in the Specific Agreements (see Article 5 SGA).

The partner *[and linked third parties]* may submit to the Commission, for approval, a certificate (drawn up in accordance with Annex 4) stating that its usual cost accounting practices comply with these conditions (**'certificate on the methodology'**). If the certificate is approved, costs declared in line with this methodology will not be challenged subsequently, unless the partner has concealed information for the purpose of the approval.

- (c) for **flat-rate costs**: adequate records and other supporting documentation to prove the eligibility of the costs to which the flat-rate is applied. The partner does not need to identify the costs covered or provide supporting documentation (such as accounting statements) to prove the amount declared at a flat-rate[;/.]
- (d) for **lump sum costs**: adequate records and other supporting documentation to prove that the corresponding tasks or part of the specific action as described in Annex 1 to the Specific Agreement concerned were implemented properly. The partner does not need to identify the actual eligible costs covered or provide supporting documentation (such as accounting statements) to prove the amount declared as a lump sum.

In addition, for **personnel costs** (declared as actual costs or on the basis of unit costs), the partner must keep **time records** for the number of hours declared. The time records must be in writing and approved by the persons working on the specific action and their supervisors, at least monthly. In the absence of reliable time records of the hours worked on the specific action, the *[Commission][Agency]* may accept alternative evidence supporting the number of hours declared, if it considers that it offers an adequate level of assurance.

As an exception, for **persons working exclusively on the specific action**, there is no need to keep time records, if the partner signs a **declaration** confirming that the persons concerned have worked exclusively on the this action.

[OPTION to be added if Article 19 applies: For costs declared by linked third parties (see Article 19), it is the partner that must keep the originals of the financial statements and the certificates on the financial statements of the linked third parties.]

24.2 Consequences of non-compliance

If the partner breaches any of its obligations under this Article, costs insufficiently substantiated will be ineligible (see Article 5 SGA) and will be rejected (see Article 48), and the specific grant may be reduced (see Article 49).

Such breaches may also lead to any of the other measures described in Section 5.

ARTICLE 25 — SUBMISSION OF DELIVERABLES

The rules on submission of deliverables for the specific grants are set out in the Specific Agreements (see Article 15 SGA).

ARTICLE 26 — REPORTING — PAYMENT REQUESTS

The rules on reporting and payment requests for the specific grants are set out in the Specific Agreements (see Article 16 SGA).

ARTICLE 27 — PAYMENTS AND PAYMENT ARRANGEMENTS

The rules on payments and payment arrangements for the specific grants are set out in the Specific Agreements (see Article 17 SGA).

ARTICLE 28 — CHECKS, REVIEWS, AUDITS AND INVESTIGATIONS — EXTENSION OF FINDINGS

28.1 Checks, reviews and audits by the *[Agency and the]* Commission

28.1.1 Right to carry out checks

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

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

The *[Agency or the]* Commission may also request additional information in accordance with Article 23.

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

28.1.2 Right to carry out reviews

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

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

If the review is carried out on a third party (see Articles 15 to 22), the partner must inform the third party.

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

The partner must provide — within the deadline requested — any information and data in addition to deliverables and reports already submitted (including information on the use of resources).

The partner may be requested to participate in meetings, including with external experts.

For **on-the-spot** reviews, the partner must allow access to its sites and premises, including to external persons or bodies, and must ensure that information requested is readily available.

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

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

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

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

28.1.3 Right to carry out audits

The *[Agency or the]* Commission may — during the implementation of the specific actions or afterwards — carry out audits on the proper implementation of the specific actions and compliance with the obligations under the Framework Partnership Agreement and the Specific Agreements.

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

If the audit is carried out on a third party (see Articles 15 to 22), the partner must inform the third party.

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

The partner must provide — within the deadline requested — any information (including complete accounts, individual salary statements or other personal data) to verify compliance with the Framework Partnership Agreement and Specific Agreements.

For **on-the-spot** audits, the partner must allow access to its sites and premises, including to external persons or bodies, and must ensure that information requested is readily available.

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

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

The *[Agency or the]* Commission will formally notify the draft audit report to the partner, which has 30 days to formally notify observations (‘**contradictory audit procedure**’). This period may be extended by the *[Agency or the]* Commission in justified cases.

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

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

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

28.2 Investigations by OLAF

Under Regulations No 883/2013¹⁴ and No 2185/96¹⁵ (and in accordance with their provisions and procedures), the European Anti-Fraud Office (OLAF) may — at any moment during implementation of the specific actions or afterwards — carry out investigations, including on-the-spot checks and inspections, to establish whether there has been fraud, corruption or any other illegal activity under the Framework Partnership Agreement or Specific Agreements affecting the financial interests of the EU.

28.3 Checks and audits by the European Court of Auditors (ECA)

Under Article 287 of the Treaty on the Functioning of the European Union (TFEU) and Article 161 of the Financial Regulation No 966/2012¹⁶, the European Court of Auditors (ECA) may — at any moment during implementation of the specific actions or afterwards — carry out audits.

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

28.4 Checks, reviews, audits and investigations for international organisations

¹⁴ Regulation (EU, Euratom) No 883/2013 of the European Parliament and of the Council of 11 September 2013 concerning investigations conducted by the European Anti-Fraud Office (OLAF) and repealing Regulation (EC) No 1073/1999 of the European Parliament and of the Council and Council Regulation (Euratom) No 1074/1999 (OJ L 248, 18.09.2013, p. 1).

¹⁵ Council Regulation (Euratom, EC) No 2185/1996 of 11 November 1996 concerning on-the-spot checks and inspections carried out by the Commission in order to protect the European Communities' financial interests against fraud and other irregularities (OJ L 292, 15.11.1996, p. 2).

¹⁶ Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 (OJ L 298, 26.10.2012, p. 1).

***[OPTION 1 for international organisations:** In conformity with its financial regulations, the European Union, including the European Anti-Fraud Office (OLAF) and the European Court of Auditors (ECA), may undertake, including on the spot, checks, reviews, audits and investigations.*

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

[OPTION 2: Not applicable]

28.5 Consequences of findings in checks, reviews, audits and investigations — Extension of findings

28.5.1 Findings in a specific grant

Findings in checks, reviews, audits or investigations carried out in the context of a specific grant may lead to the rejection of ineligible costs (see Article 48), reduction of the specific grant (see Article 49), recovery of undue amounts (see Article 50) or to any of the other measures described in Section 5.

Rejection of costs or reduction of the specific grant after the payment of the balance will lead to a revised final grant amount (see Article 4 SGA).

Findings in checks, reviews, audits or investigations may lead to a request for amendment for the modification of Annex 1 to the Specific Agreement (see Article 61).

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

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

28.5.2 Findings in other grants

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

- (a) the partner 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 the specific grant and
- (b) those findings are formally notified to the partner — together with the list of grants affected by the findings — no later than two years after the payment of the balance of the specific grant.

The extension of findings may lead to the rejection of costs (see Article 48) reduction of the specific grant (see Article 49), recovery of undue amounts (see Article 50), suspension of the action implementation (see Article 55) or termination of the specific grant (see Article 56).

28.5.3 Procedure

The *[Agency or the]* Commission will formally notify the partner the systemic or recurrent errors and its intention to extend these audit findings, together with the list of grants affected.

28.5.3.1 If the findings concern **eligibility of costs**: the formal notification will include:

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

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

The *[Agency or the]* Commission may then start a rejection procedure in accordance with Article 48, on the basis of:

- the revised financial statements, if approved;
- the proposed alternative correction method, if accepted

or

- the initially notified correction rate for extrapolation, if it does not receive any observations or revised financial statements, does not accept the observations or the proposed alternative correction method or does not approve the revised financial statements.

28.5.3.2 If the findings concern **substantial errors, irregularities or fraud** or **serious breach of obligations**: the formal notification will include:

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

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

The *[Agency or the]* Commission may then start a reduction procedure in accordance with Article 49, on the basis of:

- the proposed alternative flat-rate, if accepted
- or
- the initially notified flat-rate, if it does not receive any observations or does not accept the observations or the proposed alternative flat-rate.

28.6 Consequences of non-compliance

If the partner breaches any of its obligations under this Article, any insufficiently substantiated costs will be ineligible (see Article 5 SGA) and will be rejected (see Article 48).

Such breaches may also lead to any of the other measures described in Section 5.

ARTICLE 29 — EVALUATION OF THE IMPACT OF THE SPECIFIC ACTIONS

29.1 Right to evaluate the impact of the specific actions

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

Evaluations may be started during implementation of the specific actions and up to five years (and, for low value specific grants¹⁷, three years) after the payment of the balance. The evaluation is considered to start on the date of the formal notification to the partner.

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

The partner must provide any information requested to evaluate the impact of the specific actions, including information in electronic format.

29.2 Consequences of non-compliance

If the partner breaches any of its obligations under this Article, the *[Commission][Agency]* may apply the measures described in Section 5.

¹⁷ For the definition, see Article 185 of Commission Delegated Regulation (EU) No 1268/2012 of 29 October 2012 on the rules of application of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council on the financial rules applicable to the general budget of the Union (OJ L 362, 31.12.2012, p. 1) ('**Rules of Application Regulation No 1268/2012**): 'low value grants' are lower or equal to EUR 60 000.

SUBSECTION 3 RIGHTS AND OBLIGATIONS RELATED TO BACKGROUND AND RESULTS OF THE SPECIFIC ACTIONS

SUBSUBSECTION 1 GENERAL

ARTICLE 29a — MANAGEMENT OF INTELLECTUAL PROPERTY

29a.1 Obligation to take measures to implement the Commission Recommendation on the management of intellectual property in knowledge transfer activities

If the partner is a university or other public research organisation it must take measures to implement the principles set out in Points 1 and 2 of the Code of Practice annexed to the Commission Recommendation on the management of intellectual property in knowledge transfer activities¹⁸.

This does not change the obligations set out in Subsubsections 2 and 3 of this Subsection.

The partner must ensure that researchers and third parties involved in the action are aware of them.

29a.2 Consequences of non-compliance

If the partner breaches its obligations under this Article, the [Commission][Agency] may apply any of the measures described in Section 5.

SUBSUBSECTION 2 RIGHTS AND OBLIGATIONS RELATED TO BACKGROUND

ARTICLE 30 — AGREEMENT ON BACKGROUND

[OPTION 1 if an option under Article 31.6 applies: 30.1 Agreement on background]

The partner must identify (in writing) the background for the specific actions.

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

(a) is held by the partner before it entered into the Specific Agreement concerned and

(b) is needed to implement the specific action or exploit the results.

30.2 Consequences of non-compliance

If the partner breaches any of its obligations under this Article, the grant may be reduced (see Article 49).

¹⁸ Commission Recommendation C (2008) 1329 of 10.4.2008 on the management of intellectual property in knowledge transfer activities and the Code of Practice for universities and other public research institutions attached to this recommendation.

Such breaches may also lead to any of the other measures described in Section 5.]

[OPTION 2: Not applicable]

ARTICLE 31 — ACCESS RIGHTS TO BACKGROUND

31.1 Exercise of access rights — Waiving of access rights — No sub-licensing

To exercise access rights, this must first be requested in writing (**‘request for access’**).

‘Access rights’ means rights to use results or background under the terms and conditions laid down in this Agreement.

Waivers of access rights are not valid unless in writing.

Unless agreed otherwise, access rights do not include the right to sub-license.

31.2 Access rights for other partners, for implementing their own tasks under the specific action

Not applicable

31.3 Access rights for other partners, for exploiting their own results of the specific action

Not applicable

31.4 Access rights for other partners, for other specific actions

Not applicable

31.5 Access rights for affiliated entities

Not applicable

31.6 Access rights for third parties

The Specific Agreements may provide for access rights for third parties to background (see Article 18 SGA).

31.7 Consequences of non-compliance

If the partner breaches any of its obligations under this Article, the specific grant may be reduced (see Article 49).

Such breaches may also lead to any of the other measures described in Section 5.

SUBSUBSECTION 3 RIGHTS AND OBLIGATIONS RELATED TO RESULTS

ARTICLE 32 — OWNERSHIP OF RESULTS

32.1 Ownership by the partner that generates the results

The partner owns the results it generates.

‘**Results**’ means any (tangible or intangible) output of the specific actions such as data, knowledge or information — whatever its form or nature, whether it can be protected or not — that is generated in the specific actions, as well as any rights attached to it, including intellectual property rights.

32.2 Joint ownership by several partners

Not applicable

32.3 Rights of third parties (including personnel)

If third parties (including personnel) may claim rights to the results, the partner must ensure that it complies with its obligations under the Framework Partnership Agreement and the Specific Agreements.

If a third party generates results, the partner must obtain all necessary rights (transfer, licences or other) from the third party, in order to be able to respect its obligations as if those results were generated by the partner itself.

If obtaining the rights is impossible, the partner must refrain from using the third party to generate the results.

32.4 [EU][Euratom][Agency] ownership, to protect results

32.4.1 [The EU][Euratom][The Agency] may — with the consent of the partner— **assume ownership** of the results of a specific action to protect them, if the partner intends — up to four years after the period set out in Article 3 SGA — to disseminate its results without protecting them, except in any of the following cases:

- (a) the lack of protection is because protecting the results is not possible, reasonable or justified (given the circumstances);
- (b) the lack of protection is because there is a lack of potential for commercial or industrial exploitation, or
- (c) the partner intends to transfer the results to a third party established in an EU Member State or associated country¹⁹, which will protect them.

¹⁹ For the definition, see Article 2.1(3) Rules for Participation Regulation No 1290/2013: ‘**associated country**’ means a third country which is party to an international agreement with the Union, as identified in Article 7 of the Horizon 2020 Framework Programme Regulation No 1291/2013.

Before the results are disseminated and unless any of the cases above under Points (a), (b) or (c) applies, the partner must formally notify the *[Commission]/[Agency]* and at the same time inform it of any reasons for refusing consent. The partner may refuse consent only if it can show that its legitimate interests would suffer significant harm.

If the *[Commission]/[Agency]* decides to assume ownership, it will formally notify the partner within 45 days of receiving notification.

No dissemination relating to these results may take place before the end of this period or, if the *[Commission]/[Agency]* takes a positive decision, until it has taken the necessary steps to protect the results

32.4.2 *[The EU]/[Euratom]/[The Agency]* may — with the consent of the partner — **assume ownership** of the results of a specific action to protect them, if the partner intends — up to four years after the period set out in Article 3 SGA — to stop protecting them or not to seek an extension of protection, except in any of the following cases:

- (a) the protection is stopped because of a lack of potential for commercial or industrial exploitation;
- (b) an extension would not be justified given the circumstances.

The partner that intends to stop protecting results or not seek an extension must — unless any of the cases above under Points (a) or (b) applies — formally notify the *[Commission]/[Agency]* at least 60 days before the protection lapses or its extension is no longer possible and at the same time inform it of any reasons for refusing consent. The partner may refuse consent only if it can show that its legitimate interests would suffer significant harm.

If the *[Commission]/[Agency]* decides to assume ownership, it will formally notify the partner within 45 days of receiving notification.

32.5 Consequences of non-compliance

If the partner breaches any of its obligations under this Article, the specific grant may be reduced (see Article 49).

Such breaches may also lead to the any of the other measures described in Section 5.

ARTICLE 33 — PROTECTION OF RESULTS — VISIBILITY OF EU FUNDING

33.1 Obligation to protect the results

Article 7 of the Horizon 2020 Framework Programme Regulation No 1291/2013 sets out the conditions for association of non-EU countries to Horizon 2020.

The partner must examine the possibility of protecting its results of the specific actions and must adequately protect them — for an appropriate period and with appropriate territorial coverage — if:

- (a) the results can reasonably be expected to be commercially or industrially exploited and
- (b) protecting them is possible, reasonable and justified (given the circumstances).

When deciding on protection, the partner must consider its own legitimate interests.

33.2 [EU][Euratom][Agency] ownership, to protect the results

If the partner intends not to protect its results, to stop protecting them or not seek an extension of protection, *[the EU][Euratom][the Agency]* may — under certain conditions (see Article 32.4) — assume ownership to ensure their (continued) protection.

33.3 Information on EU funding

Applications for protection of results (including patent applications) filed by or on behalf of the partner must — unless the *[Commission][Agency]* requests or agrees otherwise or unless it is impossible — include the following:

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

33.4 Consequences of non-compliance

If the partner breaches any of its obligations under this Article, the specific grant may be reduced (see Article 49).

Such a breach may also lead to any of the other measures described in Section 5.

ARTICLE 34 — EXPLOITATION OF RESULTS

34.1 Obligation to exploit the results

The partner must — up to four years after the period set out in Article 3 SGA — take measures aiming to ensure ‘**exploitation**’ of its results of the specific actions (either directly or indirectly, in particular through transfer or licensing; see Article 36) by:

- (a) using them in further research activities (outside the specific actions);
- (b) developing, creating or marketing a product or process;
- (c) creating and providing a service, or
- (d) using them in standardisation activities.

The Specific Agreements may provide for additional exploitation obligations (see Article 18 SGA).

This does not change the security obligations in Article 43, which still apply.

34.2 Results that could contribute to European or international standards — Information on EU Funding

The Specific Agreements may provide for additional exploitation provisions (see Article 18 SGA).

If results are incorporated in a standard, the partner must — unless the *[Commission][Agency]* requests or agrees otherwise or unless it is impossible — ask the standardisation body to include the following statement in (information related to) the standard:

“Results incorporated in this standard received funding from the *[European Union’s Horizon 2020 research and innovation programme][Euratom research and training programme 2014-2018]* under grant agreement No [Number]”.

34.3 Consequences of non-compliance

If the partner breaches any of its obligations under this Article, the specific grant may be reduced in accordance with Article 49.

Such a breach may also lead to any of the other measures described in Section 5.

ARTICLE 35 — DISSEMINATION OF RESULTS — OPEN ACCESS — VISIBILITY OF EU FUNDING

35.1 Obligation to disseminate results

Unless it goes against its legitimate interests, the partner must — as soon as possible — ‘disseminate’ its results of the specific actions by disclosing them to the public by appropriate means (other than those resulting from protecting or exploiting the results), including in scientific publications (in any medium).

The Specific Agreements may provide for additional dissemination obligations (see Article 18 SGA).

This does not change the obligation to protect results in Article 33, the confidentiality obligations in Article 42, the security obligations in Article 43 or the obligations to protect personal data in Article 45, all of which still apply.

If the partner intends not to protect its results, it may — under certain conditions (see Article 32.4.1) — need to formally notify the *[Commission][Agency]* before dissemination takes place.

35.2 Open access to scientific publications

The partner must ensure open access (free of charge, online access for any user) to all peer-reviewed scientific publications relating to its results.

In particular, it must:

- (a) as soon as possible and at the latest on publication, deposit a machine-readable electronic copy of the published version or final peer-reviewed manuscript accepted for publication in a repository for scientific publications;

Moreover, the partner must aim to deposit at the same time the research data needed to validate the results presented in the deposited scientific publications.

- (b) ensure open access to the deposited publication — via the repository — at the latest:
 - (i) on publication, if an electronic version is available for free via the publisher, or
 - (ii) within six months of publication (twelve months for publications in the social sciences and humanities) in any other case.
- (c) ensure open access — via the repository — to the bibliographic metadata that identify the deposited publication.

The bibliographic metadata must be in a standard format and must include all of the following:

- the terms [*"European Union (EU)" and "Horizon 2020"*][*"Euratom" and Euratom research and training programme 2014-2018"*];
- the name of the specific action, acronym and grant number;
- the publication date, and length of embargo period if applicable, and
- a persistent identifier.

35.3 Open access to research data

The Specific Agreements may provide for additional dissemination obligations concerning open access to research data (see Article 18 SGA).

35.4 Information on EU funding — Obligation and right to use the EU emblem

Unless the [*Commission*][*Agency*] requests or agrees otherwise or unless it is impossible, any dissemination of results (in any form, including electronic) must:

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

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

When displayed together with another logo, the EU emblem must have appropriate prominence.

For the purposes of its obligations under this Article, the partner may use the EU emblem without first obtaining approval from the *[Commission][Agency]*.

This does not however give it the right to exclusive use.

Moreover, the partner may not appropriate the EU emblem or any similar trademark or logo, either by registration or by any other means.

35.5 Disclaimer excluding *[Commission][Agency]* responsibility

Any dissemination of results must indicate that it reflects only the author's view and that the *[Commission][Agency]* is not responsible for any use that may be made of the information it contains.

35.6 Consequences of non-compliance

If the partner breaches any of its obligations under this Article, the specific grant may be reduced (see Article 49).

Such a breach may also lead to any of the other measures described in Section 5.

ARTICLE 36 — TRANSFER AND LICENSING OF RESULTS

36.1 Transfer of ownership

The partner may transfer ownership of its results of the specific actions.

It must however ensure that its obligations under Articles 32.2, 32.4, 33, 34, 35, 36 and 37 also apply to the new owner and that this owner has the obligation to pass them on in any subsequent transfer.

This does not change the security obligations in Article 43, which still apply.

36.2 Granting licenses

The partner may grant licences to its results of the specific actions (or otherwise give the right to exploit them), if:

- (a) this does not impede access rights (see Article 37) and

- (b) the partner complies with its additional exploitation obligations (if any) (see Article 34.1).

This does not change the dissemination obligations in Article 35 or security obligations in Article 43, which still apply.

36.3 [Commission][Agency] right to object to transfers or licensing

The Specific Agreements may provide for the right of the [Commission][Agency] to object to a transfer of ownership or the licencing of results (see Article 18 SGA).

36.4 Consequences of non-compliance

If the partner breaches any of its obligations under this Article, the specific grant may be reduced (see Article 49).

Such a breach may also lead to any of the other measures described in Section 5.

ARTICLE 37 — ACCESS RIGHTS TO RESULTS

37.1 Exercise of access rights — Waiving of access rights — No sub-licensing

The conditions set out in Article 31.1 apply.

The obligations set out in this Article do not change the security obligations in Article 43, which still apply.

37.2 Access rights for other partners, for implementing their own tasks under the specific action

Not applicable

37.3 Access rights for other partners, for exploiting their own results

Not applicable

37.4 Access rights for other partners, for other specific actions

Not applicable

37.5 Access rights of affiliated entities

Not applicable

37.6 Access rights for the EU institutions and bodies and EU Member States

The Specific Agreements may provide for access rights for EU institutions and bodies and EU Member States to results (see Article 18 SGA).

37.7 Access rights for third parties

The Specific Agreements may provide for access rights for third parties to results (see Article 18 SGA).

37.8 Consequences of non-compliance

If the partner breaches any of its obligations under this Article, the specific grant may be reduced (see Article 49).

Such breaches may also lead to any of the other measures described in Section 5.

SUBSECTION 4 OTHER RIGHTS AND OBLIGATIONS

ARTICLE 38 — RECRUITMENT AND WORKING CONDITIONS FOR RESEARCHERS

38.1 Obligation to take measures to implement the European Charter for Researchers and Code of Conduct for the Recruitment of Researchers

The partner must take all measures to implement the principles set out in the Commission Recommendation on the European Charter for Researchers and the Code of Conduct for the Recruitment of Researchers²⁰, in particular regarding:

- working conditions;
- transparent recruitment processes based on merit, and
- career development.

The partner must ensure that researchers and third parties involved in the specific actions are aware of them.

38.2 Consequences of non-compliance

If the partner breaches its obligations under this Article, the [Commission][Agency] may apply any of the measures described in Section 5.

ARTICLE 39 — GENDER EQUALITY

39.1 Obligation to aim for gender equality

The partner must take all measures to promote equal opportunities between men and women in the implementation of the specific actions. It must aim, to the extent possible, for a gender

²⁰ Commission Recommendation 2005/251/EC of 11 March 2005 on the European Charter for Researchers and on a Code of Conduct for the Recruitment of Researchers (OJ L 75, 22.3.2005, p. 67).

balance at all levels of personnel assigned to the specific actions, including at supervisory and managerial level.

39.2 Consequences of non-compliance

If the partner breaches its obligations under this Article, the [Commission]/[Agency] may apply any of the measures described in Section 5.

ARTICLE 40 — ETHICS AND RESEARCH INTEGRITY

40.1 Obligation to comply with ethical and research integrity principles

The partner must carry out the specific actions in compliance with:

- (a) ethical principles (including the highest standards of research integrity)
- and
- (b) applicable international, EU and national law.

Funding will not be granted for activities carried out outside the EU if they are prohibited in all Member States or for activities which destroy human embryos (for example, for obtaining stem cells).

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

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

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

In addition, the partner must respect the fundamental principle of research integrity — as set out, for instance, in the European Code of Conduct for Research Integrity²¹.

This implies compliance with the following fundamental principles:

- **reliability** in ensuring the quality of research reflected in the design, the methodology, the analysis and the use of resources;

²¹ European Code of Conduct for Research Integrity of ALLEA (All European Academies) http://ec.europa.eu/research/participants/data/ref/h2020/other/hi/h2020-ethics_code-of-conduct_en.pdf

- **honesty** in developing, undertaking, reviewing, reporting and communicating research in a transparent, fair and unbiased way;
- **respect** for colleagues, research participants, society, ecosystems, cultural heritage and the environment;
- **accountability** for the research from idea to publication, for its management and organisation, for training, supervision and mentoring, and for its wider impacts

and means that the partner must ensure that persons carrying out research tasks follow the good research practices and refrain from the research integrity violations described in this Code.

This does not change the other obligations under this Agreement and Specific Agreements or obligations under applicable international, EU or national law, all of which still apply.

40.2 Activities raising ethical issues

Activities raising ethical issues must comply with the ‘**ethics requirements**’ set out as deliverables in Annex 1 to the Specific Agreements.

Before the beginning of an activity raising an ethical issue, the partner must have obtained:

- (a) any ethics committee opinion required under national law, and
- (b) any notification or authorisation for activities raising ethical issues required under national and/or European law needed to implement the tasks in question.

The documents must be kept on file and be submitted upon request by the partner to the [Commission][Agency] (see Article 58). If they are not in English, they must be submitted together with an English summary containing the conclusions of the committee or authority concerned (if available).

40.3 Activities involving human embryos or human embryonic stem cells

Activities involving research on human embryos or human embryonic stem cells may be carried out, in addition to Article 40.1, only if:

- they are set out in Annex 1 to the Specific Agreements or
- if the partner has obtained explicit approval (in writing) from the [Commission][Agency] (see Article 58).

40.4 Consequences of non-compliance

If the partner breaches any of its obligations under this Article, the specific grant may be reduced (see Article 49) and the Specific Agreement concerned may be terminated (see Article 56).

Such breaches may also lead to any of the other measures described in Section 5.

ARTICLE 41 — CONFLICT OF INTERESTS

41.1 Obligation to avoid a conflict of interests

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

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

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

41.2 Consequences of non-compliance

If the partner breaches any of its obligations under this Article, the grant may be reduced (see Article 49) and the Specific Agreement may be terminated (see Article 56).

Such breaches may also lead to any of the other measures described in Section 5.

ARTICLE 42 — CONFIDENTIALITY

42.1 General obligation to maintain confidentiality

During implementation of the specific actions and for four years after the period set out in Article 3 SGA, the parties must keep confidential any data, documents or other material (in any form) that is identified as confidential at the time it is disclosed (**‘confidential information’**).

If the partner requests, the [Commission][Agency] may agree to keep such information confidential for an additional period beyond the initial four years.

If information has been identified as confidential only orally, it will be considered to be confidential only if this is confirmed in writing within 15 days of the oral disclosure.

Unless otherwise agreed between the parties, they may use confidential information only to implement the Framework Partnership Agreement or Specific Agreements.

The partner may disclose confidential information to its personnel or third parties involved in the specific action only if they:

- (a) need to know to implement the Framework Partnership Agreement or Specific Agreements and
- (b) are bound by an obligation of confidentiality.

This does not change the security obligations in Article 43, which still apply.

The [Commission][Agency] may disclose confidential information to its staff, other EU institutions and bodies. It may disclose confidential information to third parties, if:

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

Under the conditions set out in Article 4 of the Rules for Participation Regulation No 1290/2013²², the Commission must moreover make available information on the results to other EU institutions, bodies, offices or agencies as well as Member States or associated countries.

The confidentiality obligations no longer apply if:

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

42.2 Consequences of non-compliance

If the partner breaches any of its obligations under this Article, the specific grant may be reduced (see Article 49).

Such breaches may also lead to any of the other measures described in Section 5.

ARTICLE 43 — SECURITY-RELATED OBLIGATIONS

43.1 Results with a security recommendation

²² Regulation (EU) No 1290/2013 of the European Parliament and of the Council of 11 December 2013 laying down the rules for the participation and dissemination in “Horizon 2020 – the Framework Programme for Research and Innovation (2014-2020)” (OJ L 347, 20.12.2013 p.81).

The partner must comply with the ‘security recommendation(s)’ set out in Annex 1 SGA.

For security recommendations restricting disclosure or dissemination, the partner must — before disclosure or dissemination to a third party (including linked third parties, such as affiliated entities) — request written approval from the [Commission][Agency].

In case of change to the security context, the partner must immediately inform the [Commission][Agency] and, if necessary, request for Annex 1 SGA to be amended (see Article 61).

43.2 Classified information

The partner must comply with the security classification set out in Annex 1 SGA (‘security aspect letter (SAL)’ and ‘security classification guide (SCG)’).

Information that is classified must be treated in accordance with the security aspect letter (SAL) and Decision No 2015/444²³ — until it is declassified.

Action tasks involving classified information may not be subcontracted without prior explicit written approval from the [Commission][Agency].

In case of change to the security context, the partner must immediately inform the [Commission][Agency] and, if necessary, request for Annex 1 SGA to be amended (see Article 61).

43.3 Activities involving dual-use goods or dangerous materials and substances

Activities involving dual-use goods or dangerous materials and substances must comply with applicable EU, national and international law.

Before the beginning of the activity, the partner must submit to the [Commission][Agency] (see Article 58) a copy of any export or transfer licences required under EU, national or international law.

43.4 Consequences of non-compliance

If the partner breaches any of its obligations under this Article, the specific grant may be reduced (see Article 49).

Such breaches may also lead to any of the other measures described in Section 5.

ARTICLE 44 — PROMOTING THE ACTION — VISIBILITY OF EU FUNDING

44.1 Communication activities by the partner

²³ Commission Decision 2015/444/EC, Euratom of 13 March 2015 on the security rules for protecting EU classified information.

44.1.1 Obligation to promote the specific actions and their results

The partner must promote the specific actions and their results by providing targeted information to multiple audiences (including the media and the public) in a strategic and effective manner.

This does not change the specific dissemination obligations in Article 35, the confidentiality obligations in Article 42 or the security obligations in Article 43, all of which still apply.

Before engaging in a communication activity expected to have a major media impact, the partner must inform the *[Commission]**[Agency]* (see Article 58).

44.1.2 Information on EU funding — Obligation and right to use the EU emblem

Unless the *[Commission]**[Agency]* requests or agrees otherwise or unless it is impossible, any communication activity related to the specific actions (including in electronic form, via social media, etc.) and any infrastructure, equipment and major results funded by the specific grants must:

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

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

For infrastructure, equipment and major results: “This *[infrastructure]**[equipment]**[insert type of result]* is part of a project that has received funding from the *[European Union’s Horizon 2020 research and innovation programme]**[Euratom research and training programme 2014-2018]* under grant agreement No [number]”.

When displayed together with another logo, the EU emblem must have appropriate prominence.

For the purposes of its obligations under this Article, the partner may use the EU emblem without first obtaining approval from the *[Commission]**[Agency]*.

This does not, however, give them the right to exclusive use.

Moreover, they may not appropriate the EU emblem or any similar trademark or logo, either by registration or by any other means.

44.1.3 Disclaimer excluding *[Agency and]* Commission responsibility

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

44.2 Communication activities by the *[Agency and the]* Commission

44.2.1 Right to use the partner's materials, documents or information

The *[Agency and the]* Commission may use, for its communication and publicising activities, information relating to the specific action, documents notably summaries for publication and public deliverables as well as any other material, such as pictures or audio-visual material received from the partner (including in electronic form).

This does not change the confidentiality obligations in Article 42 and the security obligations in Article 43, all of which still apply.

If the *[Agency's or the]* Commission's use of these materials, documents or information would risk compromising legitimate interests, the partner may request the *[Agency or the]* Commission not to use it (see Article 58).

The right to use the partner's materials, documents and information includes:

- (a) **use for its own purposes** (in particular, making them available to persons working for the *[Agency, the]* Commission or any other EU institution, agency or body, or institutions in EU Member States; and copying or reproducing them in whole or in part, in unlimited numbers);
- (b) **distribution to the public** (in particular, publication as hard copies and in electronic or digital format, publication on the internet, as a downloadable or non-downloadable file, broadcasting by any channel, public display or presentation, communicating through press information services, or inclusion in widely accessible databases or indexes);
- (c) **editing or redrafting** for communication and publicising activities (including shortening, summarising, inserting other elements (such as meta-data, legends, other graphic, visual, audio or text elements), extracting parts (e.g. audio or video files), dividing into parts, use in a compilation);
- (d) **translation**;
- (e) giving **access in response to individual requests** under Regulation No 1049/2001²⁴, without the right to reproduce or exploit;
- (f) **storage** in paper, electronic or other form;
- (g) **archiving**, in line with applicable document-management rules, and
- (h) the right to authorise **third parties** to act on its behalf or sub-license the modes of use set out in Points (b),(c),(d) and (f) to third parties, if needed for the communication and publicising activities of the *[Agency or the]* Commission.

²⁴ Regulation (EC) No 1049/2001 of the European Parliament and of the Council of 30 May 2001 regarding public access to European Parliament, Council and Commission documents, OJ L 145, 31.5.2001, p. 43.

If the right of use is subject to rights of a third party (including personnel of the partner), the partner must ensure that it complies with its obligations under the Framework Partnership Agreement and the Specific Agreements (in particular, by obtaining the necessary approval from the third parties concerned).

Where applicable (and if provided by the partner), the *[Agency or the]* Commission will insert the following information:

“© – [year] – [name of the copyright owner]. All rights reserved. Licensed to the *[name of the Agency]* and the *[European Union (EU)]* *[Euratom]* under conditions.”

44.3 Consequences of non-compliance

If the partner breaches any of its obligations under this Article, the specific grant may be reduced (see Article 49).

Such breaches may also lead to any of the other measures described in Section 5.

ARTICLE 45 — PROCESSING OF PERSONAL DATA

45.1 Processing of personal data by the *[Agency and the]* Commission

Any personal data under the Framework Partnership Agreement and the Specific Agreements will be processed by the *[Agency or the]* Commission under Regulation No 45/2001²⁵ and according to the ‘notifications of the processing operations’ to the Data Protection Officer (DPO) of the *[Agency or the]* Commission (publicly accessible in the DPO register).

Such data will be processed by the ‘**data controller**’ of the *[Agency or the]* Commission for the purposes of implementing, managing and monitoring of those agreements or protecting the financial interests of the EU or Euratom (including checks, reviews, audits and investigations; see Article 28).

The persons whose personal data are processed 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, via the contact point indicated in the privacy statement(s) that are published on the *[Agency and]* Commission websites.

They also have the right to have recourse at any time to the European Data Protection Supervisor (EDPS).

45.2 Processing of personal data by the partner

The partner must process personal data under the Framework Partnership Agreement and Specific Agreements in compliance with the applicable EU and national law on data protection (including authorisations or notification requirements).

²⁵ 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 (OJ L 8, 12.01.2001, p. 1).

The partner may grant its personnel access only to data that is strictly necessary for implementing, managing and monitoring of those agreements.

The partner must inform the personnel whose personal data are collected and processed by the [Agency or the] Commission. For this purpose, it must provide them with the privacy statement(s) (see above), before transmitting their data to the [Agency or the] Commission.

45.3 Consequences of non-compliance

If the partner breaches any of its obligations under Article 45.2, the [Commission][Agency] may apply any of the measures described in Section 5.

ARTICLE 46 — ASSIGNMENTS OF CLAIMS FOR PAYMENT AGAINST THE [COMMISSION][AGENCY]

The partner may not assign any of its claims for payment against the [Commission][Agency] to any third party, except if approved by the [Commission][Agency] on the basis of a reasoned, written request.

If the [Commission][Agency] has not accepted the assignment or the terms of it are not observed, the assignment will have no effect on it.

In no circumstances will an assignment release the partner from its obligations towards the [Commission][Agency].

SECTION 4 PARTNER'S ROLES AND RESPONSIBILITIES —RELATIONSHIP WITH COMPLEMENTARY BENEFICIARIES —RELATIONSHIP WITH PARTICIPANTS OF A JOINT ACTION

ARTICLE 47 —PARTNER'S ROLES AND RESPONSIBILITIES — RELATIONSHIP WITH COMPLEMENTARY BENEFICIARIES — RELATIONSHIP WITH PARTICIPANTS OF A JOINT ACTION

47.1 Roles and responsibilities towards the [Commission][Agency]

The partner has full responsibility for implementing the specific actions and complying with the Framework Partnership Agreement and the Specific Agreements.

The partner is itself responsible for:

- a) monitoring that the action is implemented properly (see Article 12);
- b) informing the [Commission][Agency] immediately of any events or circumstances likely to affect significantly or delay the implementation of the action (see Article 23);
- c) submitting the deliverables and reports to the [Commission][Agency] (see Articles 15 and 16 SGA);

- d) submitting to the [Commission][Agency] in good time any documents or information required by it,

and may not delegate or subcontract these tasks to any third party (including linked third parties).

47.2 Internal division of roles and responsibilities

Not applicable

47.3 Internal arrangements — Consortium agreement

Not applicable

47.4 Relationship with complementary beneficiaries— Collaboration agreement

The obligations concerning the relationship with complementary beneficiaries are set out in the Specific Agreements (see Article 19 SGA).

47.5 Relationship with participants of a joint action — Coordination agreement

The obligations concerning the relationship with participants of a joint action are set out in the Specific Agreements (see Article 19 SGA).

SECTION 5 REJECTION OF COSTS — REDUCTION OF THE GRANT — RECOVERY — SANCTIONS — DAMAGES — SUSPENSION — TERMINATION — FORCE MAJEURE

SUBSECTION 1 REJECTION OF COSTS — REDUCTION OF THE GRANT — RECOVERY — SANCTIONS

ARTICLE 48 — REJECTION OF INELIGIBLE COSTS

48.1 Conditions

The [Commission][Agency] will — at the time of an **interim payment, at the payment of the balance or afterwards** — reject any costs for a specific action which are ineligible (see Article 5 SGA), in particular, following checks, reviews, audits or investigations (see Article 28).

The rejection may also be based on the **extension of findings from other grants to a specific grant** (see Article 28.5.2).

48.2 Ineligible costs to be rejected — Calculation — Procedure

Ineligible costs will be rejected in full, except for lump sum costs, which will be rejected proportionally to the tasks or parts of the specific action not implemented.

If the rejection of costs does not lead to a recovery (see Article 50), the [Commission]/[Agency] will formally notify the partner of the rejection of costs, the amounts and the reasons why (if applicable, together with the notification of amounts due; see Article 27). The partner may — within 30 days of receiving notification — formally notify the [Commission]/[Agency] of its disagreement and the reasons why.

If the rejection of costs leads to a recovery, the [Commission]/[Agency] will follow the contradictory procedure with pre-information letter set out in Article 50.

48.3 Effects

If the [Commission]/[Agency] rejects costs at the time of an **interim payment** or **the payment of the balance**, it will deduct them from the total eligible costs declared, for the action, in the periodic or final summary financial statement (see Article 16 SGA). It will then calculate the interim payment or payment of the balance (see Article 17 SGA).

If the [Commission]/[Agency] — **after an interim payment but before the payment of the balance** — rejects costs declared in a periodic summary financial statement, it will deduct them from the total eligible costs declared, for the action, in the next periodic summary financial statement or in the final summary financial statement. It will then calculate the interim payment or payment of the balance (see Article 17 SGA).

If the [Commission]/[Agency] rejects costs **after the payment of the balance**, it will deduct the amount rejected from the total eligible costs declared, in the final summary financial statement. It will then calculate the revised final grant amount as set out in Article 10.4.

ARTICLE 49 — REDUCTION OF THE GRANT

49.1 Conditions

The [Commission]/[Agency] may — **at the payment of the balance** or **afterwards** — reduce the maximum grant amount (see Article 4 SGA), if:

- (a) the partner (or a natural person who has the power to represent or take decisions on its behalf) has committed:
 - (i) substantial errors, irregularities or fraud or
 - (ii) serious breach of obligations under the Framework Partnership Agreement or a Specific Agreement or during the award procedure (including improper implementation of the specific action, submission of false information, failure to provide required information, breach of ethical principles) or
- (b) the partner (or a natural person who has the power to represent or take decision on its behalf) has committed — in other EU or Euratom grants awarded to it under similar conditions — systemic or recurrent errors, irregularities, fraud or serious breach of obligations that have a material impact on the specific grant (**extension of findings from other grants to the specific grant**; see Article 28.5.2).

49.2 Amount to be reduced — Calculation — Procedure

The amount of the reduction will be proportionate to the seriousness of the errors, irregularities or fraud or breach of obligations.

Before reduction of the specific grant, the [Commission][Agency] will formally notify a ‘**pre-information letter**’ to the partner:

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

If the [Commission][Agency] does not receive any observations or decides to pursue reduction despite the observations it has received, it will formally notify **confirmation** of the reduction (if applicable, together with the notification of amounts due; see Article 17 SGA).

49.3 Effects

If the [Commission][Agency] reduces the specific grant **at the time of the payment of the balance**, it will calculate the reduced grant amount for the specific action and then determine the amount due as payment of the balance (see Article 10.3.4 and Article 17 SGA).

If the [Commission][Agency] reduces the specific grant **after the payment of the balance**, it will calculate the revised final grant amount (see Article 10.4). If the revised final grant amount is lower than the final grant amount (see Article 10.3), the [Commission][Agency] will recover the difference (see Article 50).

ARTICLE 50 — RECOVERY OF UNDUE AMOUNTS

50.1 Amount to be recovered — Calculation — Procedure

The [Commission][Agency] will — **at the payment of the balance or afterwards** — claim back any amount that was paid, but is not due for a specific grant under the Framework Partnership Agreement and the Specific Agreement concerned.

50.1.1 Recovery after termination of a partner’s participation

Not applicable

50.1.2 Recovery at payment of the balance

If the payment of the balance takes the form of a recovery (see Article 17 SGA), the [Commission][Agency] will formally notify a ‘**pre-information letter**’ to the partner:

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

- specifying that it intends to deduct the amount to be recovered from the amount retained for the Guarantee Fund; and
- inviting it to submit observations within 30 days of receiving notification.

If no observations are submitted or the [Commission][Agency] decides to pursue recovery despite the observations it has received, it will **confirm recovery** (together with the notification of amounts due; see Article 17 SGA) and:

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

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

- (a) by **offsetting** it — without the partner's consent — against any amounts owed to the partner by the [Agency, the] Commission or an[other] executive agency (from the EU or Euratom budget).

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

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

- (i) *[OPTION 1 if Article 19 applies and joint and several liability has been requested by the [Commission][Agency]: if a linked third party has accepted joint and several liability (see Article 19), by **holding the third party liable up to the maximum EU contribution indicated, for the linked third party, in the estimated budget (see Annex 2 SGA) and/or**[OPTION 2: not applicable]*
- (ii) by **taking legal action** (see Article 63) or by **adopting an enforceable decision** under Article 299 of the Treaty on the Functioning of the EU (TFEU) [, Article 106a of the Euratom Treaty] and Article 79(2) of the Financial Regulation No 966/2012.

If payment is not made by the date in the debit note, the amount to be recovered (see above) will be increased by **late-payment interest** at the rate set out in Article 17 SGA, from the day following the payment date in the debit note, up to and including the date the [Agency or the] Commission receives full payment of the amount.

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

Bank charges incurred in the recovery process will be borne by the partner, unless Directive 2007/64/EC²⁶ applies.

50.1.3 Recovery of amounts after payment of the balance

If, the revised final grant amount (see Article 10.4) is lower than the final grant amount (see Article 10.3), the partner must repay the difference to the [Commission][Agency].

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

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

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

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

- (a) by **offsetting** it — without the partner's consent — against any amounts owed to the partner by the [Agency, the] Commission or an[other] executive agency (from the EU or Euratom budget).

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

- (b) by **drawing on the Guarantee Fund**. The [Agency or the] Commission will formally notify the partner the debit note on behalf of the Guarantee Fund and recover the amount:
 - (i) *[OPTION 1 if Article 19 applies and joint and several liability has been requested by the [Commission][Agency]: if a linked third party has accepted joint and several liability (see Article 19), by **holding the third party liable up to the maximum EU contribution indicated, for the linked third party, in the estimated budget (see Annex 2 SGA) and/or [OPTION 2: not applicable]***
 - (ii) by **taking legal action** (see Article 63) or by **adopting an enforceable decision** under Article 299 of the Treaty on the Functioning of the EU (TFEU) [, Article 106a of the Euratom Treaty] and Article 79(2) of the Financial Regulation No 966/2012.

²⁶ Directive 2007/64/EC of the European Parliament and of the Council of 13 November 2007 on payment services in the internal market amending Directives 97/7/EC, 2002/65/EC, 2005/60/EC and 2006/48/EC and repealing Directive 97/5/EC (OJ L 319, 05.12.2007, p. 1).

If payment is not made by the date in the debit note, the amount to be recovered (see above) will be increased by **late-payment interest** at the rate set out in Article 17 SGA, from the day following the date for payment in the debit note, up to and including the date the *[Agency or the]* Commission receives full payment of the amount.

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

Bank charges incurred in the recovery process will be borne by the partner, unless Directive 2007/64/EC applies.

ARTICLE 51 — ADMINISTRATIVE SANCTIONS

In addition to contractual measures, the *[Agency or the]* Commission may also adopt administrative sanctions under Articles 106 and 131(4) of the Financial Regulation No 966/2012 (i.e. exclusion from future procurement contracts, grants, prizes and expert contracts and/or financial penalties).

SUBSECTION 2 LIABILITY FOR DAMAGES

ARTICLE 52 — LIABILITY FOR DAMAGES

52.1 Liability of the *[Commission][Agency]***

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

The *[Commission]**[Agency]* cannot be held liable for any damage caused by the partner or third parties involved in a specific action, as a consequence of implementing the Framework Partnership Agreement or a Specific Agreement..

52.2 Liability of the partner

Except in case of force majeure (see Article 57), the partner must compensate the *[Commission]**[Agency]* for any damage it sustains as a result of the implementation of a specific action or because a specific action was not implemented in full compliance with the Framework Partnership Agreement or a Specific Agreement.

SUBSECTION 3 SUSPENSION AND TERMINATION

ARTICLE 53 — SUSPENSION OF PAYMENT DEADLINE

53.1 Conditions

The *[Commission]**[Agency]* may — at any moment — suspend the payment deadline in a specific grant (see Article 17 SGA) if a request for payment (see Article 16 SGA) cannot be approved because:

- (a) it does not comply with the provisions of the Specific Agreement (see Article 16 SGA);
- (b) the technical reports or financial reports have not been submitted or are not complete or additional information is needed, or
- (c) there is doubt about the eligibility of the costs declared in the financial statements and additional checks, reviews, audits or investigations are necessary.

53.2 Procedure

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

The suspension will **take effect** the day notification is sent by the *[Commission]**[Agency]* (see Article 58).

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 partner may request the *[Commission]**[Agency]* if the suspension will continue.

If the payment deadline has been suspended due to the non-compliance of the technical or financial reports (see Article 16 SGA) and the revised report or statement is not submitted or was submitted but is also rejected, the *[Commission]**[Agency]* may also terminate the Specific Agreement concerned (see Article 56.3.1(j)).

ARTICLE 54 — SUSPENSION OF PAYMENTS

54.1 Conditions

The *[Commission]**[Agency]* may — at any moment — suspend payments for a specific grant, in whole or in part, if:

- a) the partner (or a natural person who has the power to represent or take decisions on its behalf) has committed or is suspected of having committed:
 - (i) substantial errors, irregularities or fraud or
 - (ii) serious breach of obligations under the Framework Agreement or a Specific Agreement or during the award procedure (including improper implementation of the specific action, submission of false information, failure to provide required information, breach of ethical principles) or

- b) the partner (or a natural person who has the power to represent or take decisions on its behalf) has committed — in other EU or Euratom grants awarded to it under similar conditions — systemic or recurrent errors, irregularities, fraud or serious breach of obligations that have a material impact on the specific grant (**extension of findings from other grants to the specific grant**; see Article 28.5.2).

If suspension concerns the payment of the balance, — once suspension is lifted — the payment or the recovery of the amount(s) concerned will be considered the payment of the balance that closes the action.

54.2 Procedure

Before suspending payments, the [Commission]/[Agency] will formally notify the partner:

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

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

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

If the conditions for resuming payments are met, the suspension will be lifted. The [Commission]/[Agency] will formally notify the partner.

During the suspension, the periodic report(s) for all reporting periods except the last one (see Article 16 SGA) must not contain any individual financial statements [*from the partner and its linked third parties*]. The partner must include them in the next periodic report after the suspension is lifted or — if suspension is not lifted before the end of the action — in the last periodic report.

The partner may suspend implementation of the action (see Article 55.1) or terminate the Specific Agreement concerned (see Article 56.1 and 56.2).

ARTICLE 55 — SUSPENSION OF THE ACTION IMPLEMENTATION

55.1 Suspension of the action implementation, by the partner

55.1.1 Conditions

The partner may suspend implementation of a specific action or any part of it, if exceptional circumstances — in particular *force majeure* (see Article 57) — make implementation impossible or excessively difficult.

55.1.2 Procedure

The partner must immediately formally notify to the [Commission][Agency] the suspension (see Article 58), stating:

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

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

Once circumstances allow for implementation to resume, the partner must immediately formally notify the [Commission][Agency] and request an amendment of the Specific Agreement concerned to set the date on which the specific action will be resumed, extend the duration of the specific action and make other changes necessary to adapt the specific action to the new situation (see Article 61) — unless the Specific Agreement has been terminated (see Article 56).

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

Costs incurred during suspension of the action implementation are not eligible (see Article 5 SGA).

55.2 Suspension of the action implementation, by the [Commission][Agency]

55.2.1 Conditions

The [Commission][Agency] may suspend implementation of a specific action or any part of it, if:

- (a) the partner (or a natural person who has the power to represent or take decisions on its behalf) has committed or is suspected of having committed:
 - (i) substantial errors, irregularities or fraud or
 - (ii) serious breach of obligations under the Framework Partnership Agreement or a Specific Agreement or during the award procedure (including improper implementation of the specific action, submission of false information, failure to provide required information, breach of ethical principles);
- (b) the partner (or a natural person who has the power to represent or take decisions on its behalf) has committed — in other EU or Euratom grants awarded to it under similar conditions — systemic or recurrent errors, irregularities, fraud or serious breach of obligations that have a material impact on the specific grant (**extension of findings from other grants to the specific grant**; see Article 28.5.2), or
- (c) the specific action is suspected of having lost its scientific or technological relevance.

55.2.2 Procedure

Before suspending implementation of the specific action, the *[Commission][Agency]* will formally notify the partner:

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

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

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

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

The partner will be formally notified of the lifting and the Specific Agreement concerned will be **amended** to set the date on which the specific action will be resumed, extend the duration of the specific action and make other changes necessary to adapt the specific action to the new situation (see Article 61) — unless the Agreement has already been terminated (see Article 56).

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

Costs incurred during suspension are not eligible (see Article 5 SGA).

The partner may not claim damages due to suspension by the *[Commission][Agency]* (see Article 52).

Suspension of the action implementation does not affect the *[Commission's][Agency's]* right to terminate the Agreement (see Article 56), reduce the grant or recover amounts unduly paid (see Articles 49 and 50).

ARTICLE 56 — TERMINATION OF THE SPECIFIC AGREEMENTS

56.1 Termination of the Specific Agreements, by the partner

56.1.1 Conditions and procedure

The partner may terminate a Specific Agreement.

The partner must formally notify termination to the *[Commission][Agency]* (see Article 58), stating:

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

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

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

56.1.2 Effects

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

- (i) a periodic report (for the open reporting period until termination; see Article 16 SGA) and
- (ii) the final report (see Article 16 SGA).

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

The [Commission][Agency] will **calculate** the final grant amount (see Article 10.3) and the balance (see Article 17 SGA) on the basis of the reports submitted. Only costs incurred until termination are eligible. Costs relating to contracts due for execution only after termination are not eligible.

Improper termination may lead to a reduction of the grant (see Article 49).

After termination, the partner’s obligations (in particular Articles 26, 28, 29, Subsection 3 of Section 3 of Chapter 3, 42, 43, 44, 46, 48, 49 and 50) continue to apply.

56.2 Termination of the participation of one or more partners, by the partners

Not applicable

56.3 Termination of the Specific Agreements, by the [Commission][Agency]

56.3.1 Conditions

The [Commission][Agency] may terminate a Specific Agreement if:

- (a) not applicable;
- (b) a change to the partner's legal, financial, technical, organisational or ownership situation [(or those of its linked third parties)] is likely to substantially affect or delay the implementation of the specific action or calls into question the decision to award the specific grant;
- (c) not applicable;

- (d) implementation of the specific action is prevented by force majeure (see Article 57) or suspended by the partner (see Article 55.1) and either:
 - (i) resumption is impossible, or
 - (ii) the necessary changes to the Specific Agreement would call into question the decision awarding the specific grant or breach the principle of equal treatment of applicants;
- (e) the partner is declared bankrupt, being wound up, having its affairs administered by the courts, has entered into an arrangement with creditors, has suspended business activities, or is subject to any other similar proceedings or procedures under national law;
- (f) the partner (or a natural person who has the power to represent or take decisions on its behalf) has been found guilty of professional misconduct, proven by any means;
- (g) the partner does not comply with the applicable national law on taxes and social security;
- (h) the specific action has lost scientific or technological relevance;
- (i) for specific actions that are joint actions under a Specific Agreement: additional grounds for termination are set out in the Specific Agreement (see Article 20 SGA);
- (j) for specific actions that are joint actions under a Specific Agreement: additional grounds for termination are set out in the Specific Agreement (see Article 20 SGA);
- (k) the partner (or a natural person who has the power to represent or take decisions on its behalf) has committed fraud, corruption, or is involved in a criminal organisation, money laundering or any other illegal activity;
- (l) the partner (or a natural person who has the power to represent or take decisions on its behalf) has committed:
 - (i) substantial errors, irregularities or fraud or
 - (ii) serious breach of obligations under the Framework Partnership Agreement or a Specific Agreement or during the award procedure (including improper implementation of the specific action, submission of false information, failure to provide required information, breach of ethical principles);
- (m) the partner (or a natural person who has the power to represent or take decisions on its behalf) has committed — in other EU or Euratom grants awarded to it under similar conditions — systemic or recurrent errors, irregularities, fraud or serious breach of obligations that have a material impact on the specific grant (**extension of findings from other grants to the specific grant**; see Article 28.5.2);

- (n) *[OPTION 1: despite a specific request by the [Commission][Agency], the partner does not request an amendment to the Agreement to end the participation of one of its linked third parties or international partners that is in one of the situations under points (e), (f), (g), (k), (l) or (m) and to reallocate its tasks][OPTION 2: not applicable].*

56.3.2 Procedure

Before terminating the Specific Agreement, the [Commission][Agency] will formally notify the partner:

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

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

The termination will **take effect**:

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

56.3.3 Effects

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

- (i) a periodic report (for the last open reporting period until termination) (see Article 16 SGA) and
- (ii) a final report (see Article 16 SGA).

If the Specific Agreement is terminated for breach of the obligation to submit reports (see Article 56.3.1(l)) and Article 16 SGA) the partner may not submit any reports after termination.

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

The [Commission][Agency] will **calculate** the final grant amount (see Article 10.3) and the balance (see Article 17 SGA) on the basis of the reports submitted. Only costs incurred until

termination takes effect are eligible (see Article 5 SGA). Costs relating to contracts due for execution only after termination are not eligible.

This does not affect the *[Commission's]/[Agency's]* right to reduce the specific grant (see Article 49) or to impose administrative sanctions (Article 51).

The partner may not claim damages due to termination by the *[Commission]/[Agency]* (see Article 52).

After termination, the partner's obligations (in particular Articles 26, 28, 29, Subsection 3 of Section 3 of Chapter 3, 42, 43, 44, 46, 48, 49 and 50) continue to apply.

SUBSECTION 4 FORCE MAJEURE

ARTICLE 57 — FORCE MAJEURE

‘Force majeure’ means any situation or event that:

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

The following cannot be invoked as force majeure:

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

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

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

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

CHAPTER 4 FINAL PROVISIONS

ARTICLE 58 — COMMUNICATIONS BETWEEN THE PARTIES

58.1 Form and means of communications

Communication under the Framework Partnership Agreement and the Specific Agreements (information, requests, submissions, formal notifications, etc.) must:

- be made in writing and
- bear the number of the Framework Partnership Agreement and the Specific Agreement concerned.

All communication must be made through the Participant Portal **electronic** exchange system and using the forms and templates provided there.

If — after the payment of the balance — the *[Commission][Agency]* finds that a formal notification was not accessed, a second formal notification will be made by registered post with proof of delivery ('formal notification on **paper**'). Deadlines will be calculated from the moment of the second notification.

Communications in the electronic exchange system must be made by persons authorised according to the Participant Portal Terms & Conditions. For naming the authorised persons, the partner must have designated— before the signature of the Framework Partnership Agreement — a 'legal entity appointed representative (LEAR)'. The role and tasks of the LEAR are stipulated in his/her appointment letter (see Participant Portal Terms & Conditions).

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

58.2 Date of communications

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

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

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

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

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

58.3 Addresses for communication

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

[insert URL]

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

Formal notifications on paper (only after the payment of the balance) addressed **to the [Commission][Agency]** must be sent to the official mailing address indicated on the [Commission's][Agency's] website.

Formal notifications on paper (only after the payment of the balance) addressed **to the partner** must be sent to its legal address as specified in the Participant Portal Beneficiary Register.

ARTICLE 59 — INTERPRETATION OF THE FRAMEWORK PARTNERSHIP AGREEMENT AND THE SPECIFIC AGREEMENTS

59.1 Precedence of the Terms and Conditions over the Annexes

The provisions in the Terms and Conditions of the Framework Partnership Agreement and the Specific Agreements take precedence over their Annexes.

Annex 2 to the Specific Agreements takes precedence over their Annex 1.

59.2 Precedence of the Terms and Conditions of the Specific Agreements over the Framework Partnership Agreement

The provisions in the Terms and Conditions of the Specific Agreements take precedence over the Framework Partnership Agreement.

59.3 Privileges and immunities

[OPTION 1 for all international organisations: Nothing in the Framework Partnership Agreement or the Specific Agreements may be interpreted as a waiver of any privileges or immunities accorded to the partner by its constituent documents or international law.]

[OPTION 2: Not applicable]

ARTICLE 60 — CALCULATION OF PERIODS, DATES AND DEADLINES

In accordance with Regulation No 1182/71²⁷, periods expressed in days, months or years are calculated from the moment the triggering event occurs.

²⁷ Regulation (EEC, Euratom) No 1182/71 of the Council of 3 June 1971 determining the rules applicable to periods, dates and time-limits (OJ L 124, 8.6.1971, p. 1).

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

ARTICLE 61 — AMENDMENTS TO THE FRAMEWORK PARTNERSHIP AGREEMENT AND THE SPECIFIC AGREEMENTS

61.1 Conditions

The Framework Partnership Agreement and the Specific Agreements may be amended, unless the amendment entails changes to those Agreements which would call into question the decisions awarding the framework partnership or specific grants concerned or breach the principle of equal treatment of applicants.

Amendments to the Framework Partnership Agreement cannot extend the duration of the framework partnership (see Article 3).

Amendments may be requested by any of the parties.

61.2 Procedure

The party requesting an amendment must submit a request for amendment signed in the electronic exchange system (see Article 58).

The request for amendment must include:

- the reasons why;
- the appropriate supporting documents.

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

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

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

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

ARTICLE 62 — ACCESSION TO THE FRAMEWORK PARTNERSHIP AGREEMENT AND THE SPECIFIC AGREEMENTS

Not applicable

ARTICLE 63 — APPLICABLE LAW AND SETTLEMENT OF DISPUTES

63.1 Applicable law

[OPTION 1 by default: *The Agreement and the Specific Agreements are governed by the applicable EU law, supplemented if necessary by the law of Belgium.*]

[OPTION 2 for international organisations that do not accept any applicable law clause: *Not applicable*]

[OPTION 3 for international organisations that would accept an applicable law clause, but not the standard clause (EU + Belgian law): *The Framework Partnership and Specific Agreements are governed [by the applicable EU law][, supplemented if necessary] [by the law of [Belgium][[insert name of another Member State or EFTA country]]] [and, where appropriate,] [by the general principles governing the law of international organisations and the rules of general international law].]*

63.2 Dispute settlement

[OPTION 1 by default: *If a dispute concerning the interpretation, application or validity of the Framework Partnership Agreement or a Specific Agreement cannot be settled amicably, the General Court — or, on appeal, the Court of Justice of the European Union — has sole jurisdiction. Such actions must be brought under Article 272 of the Treaty on the Functioning of the EU (TFEU).]*

[OPTION 2 if the partner is a non-EU partner (except if the partner is established in an associated country with an association agreement to Horizon 2020 that stipulates sole jurisdiction of the European Court of Justice): *If a dispute concerning the interpretation, application or validity of the Framework Partnership Agreement or a Specific Agreement cannot be settled amicably, the competent Belgian courts have sole jurisdiction.]*

[OPTION 3 if the partner is an international organisation or a partner not receiving EU funding because not eligible for EU funding (see Article 9) which according to its national law cannot be subject to the jurisdiction of the Belgium courts: *Disputes concerning the interpretation, application or validity of the Framework Partnership Agreement or a Specific Agreement must — if they cannot be settled amicably — be referred to arbitration. Each party must formally notify to the other party its intention of resorting to arbitration and the identity of the arbitrator. The Permanent Court of Arbitration Optional Rules for Arbitration Involving International Organisations and States in force at the date of entry into force of the Framework Partnership Agreement will apply. The appointing authority will be the Secretary-General of the Permanent Court of Arbitration following a written request submitted by either party. The arbitration proceedings must take place in Brussels and the language used in the arbitral proceedings will be English. The arbitral award will be binding on all parties and will not be subject to appeal.]*

If a dispute concerns administrative sanctions, offsetting or an enforceable decision under Article 299 TFEU (see Articles 50, 51 and 52), the partner must bring action before the General Court — or, on appeal, the Court of Justice of the European Union — under Article 263 TFEU. Actions against offsetting and enforceable decisions must always be brought against the Commission (not against the Agency — even in Agency specific grants).

ARTICLE 64 — ENTRY INTO FORCE OF THE FRAMEWORK PARTNERSHIP AGREEMENT

The Framework Partnership Agreement will enter into force on the day of signature by the *[Commission]**[Agency]* or the partner, depending on which is later.

SIGNATURES

For the partner:

[function/forename/surname]
[electronic signature]

Done in [English] on [electronic time stamp]

For the *[Commission]**[Agency]*:

[forename/surname]
[electronic signature]

Done in [English] on [electronic time stamp]

ANNEX 3a

**DECLARATION ON JOINT AND SEVERAL LIABILITY OF
LINKED THIRD PARTIES**

(to be filled by the linked third party and submitted by the partner if Article 19 FPA applies and linked third party liability has been requested by the [Commission][Agency])

[full official name of the entity affiliated or linked to the partner (short name)], established in [official address in full], *[OPTION for linked third parties with VAT: VAT number [insert number]]* ('the linked third party'), represented for the purpose of signing this Declaration on joint and several liability by its legal representative(s) [forename and surname, function of the legal representative(s) of the linked third party],

linked to the partner [insert number] [full official name of the partner], [short name], established in [official address in full], *[OPTION for partners with VAT: VAT number [insert number]]* ('the partner'),

hereby accepts joint and several liability with the partner

for any amount owed to the [Commission][Agency] by the partner under any specific agreement awarded under the Framework Partnership Agreement No [insert Framework Partnership Agreement number] [(insert acronym)], up to the maximum EU contribution indicated, for the linked third party, in the estimated budget (see Annex 2 of the Specific Agreement(s)).

The linked third party irrevocably and unconditionally agrees to pay amounts requested under this Declaration to the [Commission][Agency], immediately and at first demand.

For the linked third party
[forename/surname/function]

signature

Done in English at [place], on [date]

Framework Partnership Agreement number(s): [insert numbers and acronyms]
Specific Agreement number(s): [insert number(s) and acronym(s)]
Grant Agreement number(s): [insert number(s) and acronym(s)]

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ANNEX 4

MODEL FOR THE CERTIFICATE ON THE METHODOLOGY

- For options [*in italics in square brackets*]: choose the applicable option. Options not chosen should be deleted.
- For fields in [grey in square brackets]: enter the appropriate data.

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TERMS OF REFERENCE FOR AN INDEPENDENT REPORT OF FACTUAL FINDINGS ON COSTS DECLARED UNDER A GRANT AGREEMENT FINANCED UNDER THE HORIZON 2020 RESEARCH FRAMEWORK PROGRAMME **ERROR! BOOKMARK NOT DEFINED.**

INDEPENDENT REPORT OF FACTUAL FINDINGS ON COSTS DECLARED UNDER A GRANT AGREEMENT FINANCED UNDER THE HORIZON 2020 RESEARCH FRAMEWORK PROGRAMME5

Framework Partnership Agreement number(s): [insert numbers and acronyms]
Specific Agreement number(s): [insert number(s) and acronym(s)]
Grant Agreement number(s): [insert number(s) and acronym(s)]

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Terms of reference for an audit engagement for a methodology certificate in connection with one or more grant agreements financed under the Horizon 2020 Research and Innovation Framework Programme

This document sets out the ‘**Terms of Reference (ToR)**’ under which

[OPTION 1: [insert name of the partner] (‘the partner’)] [OPTION 2: [insert name of the linked third party] (‘the Linked Third Party’), third party linked to the partner [insert name of the partner] (‘the partner’)]

agrees to engage

[insert legal name of the auditor] (‘the Auditor’)

to produce an independent report of factual findings (‘the Report’) concerning the [Partner’s] [Linked Third Party’s] usual accounting practices for calculating and claiming direct personnel costs declared as unit costs (‘the Methodology’) in connection with grant agreements financed under the Horizon 2020 Research and Innovation Framework Programme.

The procedures to be carried out for the assessment of the methodology will be based on the grant agreement(s) detailed below:

[title and number of the grant agreement(s)] (‘the Agreement(s)’)

The Agreement(s) has(have) been concluded between the Partner and [OPTION 1: the European Union, represented by the European Commission (‘the Commission’)] [OPTION 2: the European Atomic Energy Community (Euratom,) represented by the European Commission (‘the Commission’)] [OPTION 3: the [Research Executive Agency (REA)] [European Research Council Executive Agency (ERCEA)] [Innovation and Networks Executive Agency (INEA)] [Executive Agency for Small and Medium-sized Enterprises (EASME)] (‘the Agency’), under the powers delegated by the European Commission (‘the Commission’).].

The [Commission] [Agency] is mentioned as a signatory of the Agreement with the Partner only. The [European Union] [Euratom] [Agency] is not a party to this engagement.

1.1 Subject of the engagement

According to Article 24.1.2 of the Framework Partnership Agreement, the partner [and linked third parties] that declares direct personnel costs as unit costs calculated in accordance with its [their] usual cost accounting practices may submit to the [Commission] [Agency], for approval, a certificate on the methodology (‘CoMUC’) stating that there are adequate records and documentation to prove that their cost accounting practices used comply with the conditions set out in Point A of Article 5.2 of the Specific Agreement.

The subject of this engagement is the CoMUC which is composed of two separate documents:

- the Terms of Reference (‘the ToR’) to be signed by the [Partner] [Linked Third Party] and the Auditor;
- the Auditor’s Independent Report of Factual Findings (‘the Report’) issued on the Auditor’s letterhead, dated, stamped and signed by the Auditor which includes; the standard statements (‘the Statements’) evaluated and signed by the [Partner] [Linked Third Party], the agreed-upon procedures (‘the Procedures’) performed by the Auditor and the standard factual findings

Framework Partnership Agreement number(s): [insert numbers and acronyms]
Specific Agreement number(s): [insert number(s) and acronym(s)]
Grant Agreement number(s): [insert number(s) and acronym(s)]

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(‘the Findings’) assessed by the Auditor. The Statements, Procedures and Findings are summarised in the table that forms part of the Report.

The information provided through the Statements, the Procedures and the Findings will enable the Commission to draw conclusions regarding the existence of the [Partner’s] [Linked Third Party’s] usual cost accounting practice and its suitability to ensure that direct personnel costs claimed on that basis comply with the provisions of the Agreement. The Commission draws its own conclusions from the Report and any additional information it may require.

1.2 Responsibilities

The parties to this agreement are the [Partner] [Linked Third Party] and the Auditor.

The [Partner] [Linked Third Party]:

- is responsible for preparing financial statements for the Agreement(s) (‘the Financial Statements’) in compliance with those Agreements;
- is responsible for providing the Financial Statement(s) to the Auditor and enabling the Auditor to reconcile them with the [Partner’s] [Linked Third Party’s] accounting and bookkeeping system and the underlying accounts and records. The Financial Statement(s) will be used as a basis for the procedures which the Auditor will carry out under this ToR;
- is responsible for its Methodology and liable for the accuracy of the Financial Statement(s);
- is responsible for endorsing or refuting the Statements indicated under the heading ‘Statements to be made by the Partner/ Linked Third Party’ in the first column of the table that forms part of the Report;
- must provide the Auditor with a signed and dated representation letter;
- accepts that the ability of the Auditor to carry out the Procedures effectively depends upon the [Partner] [Linked Third Party] providing full and free access to the [Partner’s] [Linked Third Party’s] staff and to its accounting and other relevant records.

The Auditor:

- *[Option 1 by default: 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].*
- *[Option 2 if the Partner or Linked Third Party has an independent Public Officer: is a competent and independent Public Officer for which the relevant national authorities have established the legal capacity to audit the Partner].*
- *[Option 3 if the Partner or Linked Third Party is an international organisation: is an [internal] [external] auditor in accordance with the internal financial regulations and procedures of the international organisation].*

The Auditor:

- must be independent from the Partner [and the Linked Third Party], in particular, it must not have been involved in preparing the Partner’s [and Linked Third Party’s] Financial Statement(s);
- must plan work so that the Procedures may be carried out and the Findings may be assessed;
- must adhere to the Procedures laid down and the compulsory report format;
- must carry out the engagement in accordance with these 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 [Partner] [Linked Third Party].

Framework Partnership Agreement number(s): [insert numbers and acronyms]
Specific Agreement number(s): [insert number(s) and acronym(s)]
Grant Agreement number(s): [insert number(s) and acronym(s)]

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The Commission sets out the Procedures to be carried out and the Findings to be endorsed 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 with¹:

- 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 Commission requires that the Auditor also complies with the Code's independence requirements.

The Auditor's Report must state that there was no conflict of interests in establishing this Report between the Auditor and the Partner *[and the Linked Third Party]* that could have a bearing on the Report, 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 Specific Agreement (see Article 16.7 of the Specific Agreement).

Under Article 28 of the Framework Partnership Agreement, the Commission, *[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] [Euratom]* budget. This includes work related to this engagement. The Auditor must provide access to all working papers related to this assignment if the Commission, *[the Agency]*, the European Anti-Fraud Office or the European Court of Auditors requests them.

1.5 Timing

The Report must be provided by [dd Month yyyy].

1.6 Other Terms

[The [Partner] [Linked Third Party] 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]
[name & title of authorised representative]
[dd Month yyyy]
Signature of the Auditor

[legal name of the [Partner] [Linked Third Party]]
[name & title of authorised representative]
[dd Month yyyy]
Signature of the *[Partner] [Linked Third Party]*

¹ 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.

Framework Partnership Agreement number(s): [insert numbers and acronyms]
Specific Agreement number(s): [insert number(s) and acronym(s)]
Grant Agreement number(s): [insert number(s) and acronym(s)]

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Independent report of factual findings on the methodology concerning grant agreements financed under the Horizon 2020 Research and Innovation Framework Programme

(To be printed on letterhead paper of the auditor)

To
[name of contact person(s)], [Position]
[[Partner's] [Linked Third Party's] name]
[Address]
[dd Month yyyy]

Dear [Name of contact person(s)],

As agreed under the terms of reference dated [dd Month yyyy]

with [OPTION 1: [insert name of the partner] ('the Partner')] [OPTION 2: [insert name of the linked third party] ('the Linked Third Party'), third party linked to the Partner [insert name of the partner] ('the Partner')],

we

[name of the auditor] ('the Auditor'),

established at

[full address/city/state/province/country],

represented by

[name and function of an authorised representative],

have carried out the agreed-upon procedures ('the Procedures') and provide hereby our Independent Report of Factual Findings ('the Report'), concerning the [Partner's] [Linked Third Party's] usual accounting practices for calculating and declaring direct personnel costs declared as unit costs ('the Methodology').

You requested certain procedures to be carried out in connection with the grant(s)

[title and number of the grant agreement(s)] ('the Agreement(s)').

The Report

Our engagement was carried out in accordance with the terms of reference ('the ToR') appended to this Report. The Report includes: the standard statements ('the Statements') made by the [Partner] [Linked Third Party], the agreed-upon procedures ('the Procedures') carried out and the standard factual findings ('the Findings') confirmed by us.

The engagement involved carrying out the Procedures and assessing the Findings and the documentation requested appended to this Report, the results of which the Commission uses to draw conclusions regarding the acceptability of the Methodology applied by the [Partner] [Linked Third Party].

Framework Partnership Agreement number(s): [insert numbers and acronyms]
Specific Agreement number(s): [insert number(s) and acronym(s)]
Grant Agreement number(s): [insert number(s) and acronym(s)]

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The Report covers the methodology used from [dd Month yyyy]. In the event that the [Partner] [Linked Third Party] changes this methodology, the Report will not be applicable to any Financial Statement² submitted thereafter.

The scope of the Procedures and the definition of the standard statements and findings were determined solely by the Commission. Therefore, the Auditor is not responsible for their suitability or pertinence.

Since the Procedures carried out constitute neither an audit nor a review made in accordance with International Standards on Auditing or International Standards on Review Engagements, we do not give a statement of assurance on the costs declared on the basis of the [Partner's] [Linked Third Party's] Methodology. Had we carried out additional procedures or had we performed an audit or review in accordance with these standards, other matters might have come to its attention and would have been included in the Report.

Exceptions

Apart from the exceptions listed below, the [Partner] [Linked Third Party] agreed with the standard Statements and provided the Auditor all the documentation and accounting information needed by the Auditor to carry out the requested Procedures and corroborate the standard Findings.

List here any exception and add any information on the cause and possible consequences of each exception, if known. If the exception is quantifiable, also indicate the corresponding amount.

.....

Explanation of possible exceptions in the form of examples (to be removed from the Report):

- i. the [Partner] [Linked Third Party] did not agree with the standard Statement number ... because...;*
- ii. the Auditor could not carry out the procedure ... established because (e.g. due to the inability to reconcile key information or the unavailability or inconsistency of data);*
- iii. the Auditor could not confirm or corroborate the standard Finding number ... because*

Remarks

We would like to add the following remarks relevant for the proper understanding of the Methodology applied by the [Partner] [Linked Third Party] or the results reported:

Example (to be removed from the Report):

Regarding the methodology applied to calculate hourly rates ...

Regarding standard Finding 15 it has to be noted that ...

The [Partner] [Linked Third Party] explained the deviation from the benchmark statement XXIV concerning time recording for personnel with no exclusive dedication to the action in the following manner: ...

Annexes

Please provide the following documents to the auditor and annex them to the report when submitting this CoMUC to the Commission:

² Financial Statement in this context refers solely to Annex 3 of the Specific Agreement by which the Partner declares costs under the Specific Agreement.

Framework Partnership Agreement number(s): [insert numbers and acronyms]
Specific Agreement number(s): [insert number(s) and acronym(s)]
Grant Agreement number(s): [insert number(s) and acronym(s)]

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1. Brief description of the methodology for calculating personnel costs, productive hours and hourly rates;
2. Brief description of the time recording system in place;
3. An example of the time records used by the [Partner] [Linked Third Party];
4. Description of any budgeted or estimated elements applied together with an explanation as to why they are relevant for calculating the personnel costs and how they are based on objective and verifiable information;
5. A summary sheet with the hourly rate for direct personnel declared by the [Partner] [Linked Third Party] and recalculated by the Auditor for each staff member included in the sample (the names do not need to be reported);
6. A comparative table summarising for each person selected in the sample a) the time claimed by the [Partner] [Linked Third Party] in the Financial Statement(s) and b) the time according to the time record verified by the Auditor;
7. A copy of the letter of representation provided to the Auditor.

Use of this Report

This Report has been drawn up solely for the purpose given under Point 1.1 Reasons for the engagement.

The Report:

- is confidential and is intended to be submitted to the Commission by the [Partner] [Linked Third Party] in connection with Article 24.1.2 of the Framework Partnership Agreement;
- may not be used by the [Partner] [Linked Third Party] or by the Commission for any other purpose, nor distributed to any other parties;
- may be disclosed by the Commission only to authorised parties, in particular the European Anti-Fraud Office (OLAF) and the European Court of Auditors.
- relates only to the usual cost accounting practices specified above and does not constitute a report on the Financial Statements of the [Partner] [Linked Third Party].

No conflict of interest³ exists between the Auditor and the Partner [and the Linked Third Party] that could have a bearing on the Report. The total fee paid to the Auditor for producing the Report was EUR [] (including EUR [] of deductible VAT).

We look forward to discussing our Report with you and would be pleased to provide any further information or assistance which may be required.

Yours sincerely

[legal name of the Auditor]

[name and title of the authorised representative]

[dd Month yyyy]

Signature of the Auditor

³ A conflict of interest arises when the Auditor's objectivity to establish the certificate is compromised in fact or in appearance when the Auditor for instance:

- was involved in the preparation of the Financial Statements;
- stands to benefit directly should the certificate be accepted;
- has a close relationship with any person representing the Partner ;
- is a director, trustee or partner of the Partner; or
- is in any other situation that compromises his or her independence or ability to establish the certificate impartially.

Statements to be made by the Partner/Linked Third Party ('the Statements') and Procedures to be carried out by the Auditor ('the Procedures') and standard factual findings ('the Findings') to be confirmed by the Auditor

The Commission reserves the right to provide the auditor with guidance regarding the Statements to be made, the Procedures to be carried out or the Findings to be ascertained and the way in which to present them. The Commission reserves the right to vary the Statements, Procedures or Findings by written notification to the Partner/Linked Third Party to adapt the procedures to changes in the grant agreement(s) or to any other circumstances.

If this methodology certificate relates to the Linked Third Party's usual accounting practices for calculating and claiming direct personnel costs declared as unit costs any reference here below to 'the Partner' is to be considered as a reference to 'the Linked Third Party'.

<i>Please explain any discrepancies in the body of the Report.</i>	
Statements to be made by Partner	Procedures to be carried out and Findings to be confirmed by the Auditor
<p>A. Use of the Methodology</p> <p>I. The cost accounting practice described below has been in use since [dd Month yyyy].</p> <p>II. The next planned alteration to the methodology used by the Partner will be from [dd Month yyyy].</p>	<p>Procedure:</p> <p>✓ The Auditor checked these dates against the documentation the Partner has provided.</p> <p>Factual finding:</p> <p>1. The dates provided by the Partner were consistent with the documentation.</p>
<p>B. Description of the Methodology</p> <p>III. The methodology to calculate unit costs is being used in a consistent manner and is reflected in the relevant procedures.</p> <p><i>[Please describe the methodology your entity uses to calculate <u>personnel</u> costs, productive hours and hourly rates, present your description to the Auditor and annex it to this certificate]</i></p> <p><i>[If the statement of section "B. Description of the methodology" cannot be endorsed by the Partner or there is no written methodology to calculate unit costs it should be listed here below and reported as exception by the Auditor in the main Report of Factual Findings:</i></p> <p>- ...]</p>	<p>Procedure:</p> <p>✓ The Auditor reviewed the description, the relevant manuals and/or internal guidance documents describing the methodology.</p> <p>Factual finding:</p> <p>2. The brief description was consistent with the relevant manuals, internal guidance and/or other documentary evidence the Auditor has reviewed.</p> <p>3. The methodology was generally applied by the Partner as part of its usual costs accounting practices.</p>
<p>C. Personnel costs</p>	<p>Procedure:</p>

<i>Please explain any discrepancies in the body of the Report.</i>	
Statements to be made by Partner	Procedures to be carried out and Findings to be confirmed by the Auditor
<u>General</u>	
IV. The unit costs (hourly rates) are limited to salaries including during parental leave, social security contributions, taxes and other costs included in the remuneration required under national law and the employment contract or equivalent appointing act;	<p><i>The Auditor draws a sample of employees to carry out the procedures indicated in this section C and the following sections D to F.</i> <i>[The Auditor has drawn a random sample of 10 employees assigned to Horizon 2020 action(s). If fewer than 10 employees are assigned to the H2020 action(s), the Auditor has selected all employees assigned to the H2020 action(s), complemented by other employees irrespective of their assignments until he has reached 10 employees.]</i> For this sample:</p> <ul style="list-style-type: none"> ✓ the Auditor reviewed all documents relating to personnel costs such as employment contracts, payslips, payroll policy (e.g. salary policy, overtime policy, variable pay policy), accounting and payroll records, applicable national tax , labour and social security law and any other documents corroborating the personnel costs claimed; ✓ in particular, the Auditor reviewed the employment contracts of the employees in the sample to verify that: <ul style="list-style-type: none"> i. they were employed directly by the Partner in accordance with applicable national legislation; ii. they were working under the sole technical supervision and responsibility of the latter; iii. they were remunerated in accordance with the Partner's usual practices; iv. they were allocated to the correct group/category/cost centre for the purposes of calculating the unit cost in line with the Partner's usual cost accounting practices; ✓ the Auditor verified that any ineligible items or any costs claimed under other costs categories or costs covered by other types of grant or by other grants financed from the European Union budget have not been taken into account when calculating the personnel costs; ✓ the Auditor numerically reconciled the total amount of personnel costs used to calculate the unit cost with the total amount of personnel costs recorded
V. Employees are hired directly by the Partner in accordance with national law, and work under its sole supervision and responsibility;	
VI. The Partner remunerates its employees in accordance with its usual practices. This means that personnel costs are charged in line with the Partner's usual payroll policy (e.g. salary policy, overtime policy, variable pay) and no special conditions exist for employees assigned to tasks relating to the European Union or Euratom, unless explicitly provided for in the grant agreement(s);	
VII. The Partner allocates its employees to the relevant group/category/cost centre for the purpose of the unit cost calculation in line with the usual cost accounting practice;	
VIII. Personnel costs are based on the payroll system and accounting system.	
IX. Any exceptional adjustments of actual personnel costs resulted from relevant budgeted or estimated elements and were based on objective and verifiable information. <i>[Please describe the 'budgeted or estimated elements' and their relevance to personnel costs, and explain how they were reasonable and based on objective and verifiable information, present your explanation to the Auditor and annex it to this certificate].</i>	
X. Personnel costs claimed do not contain any of the following ineligible costs: costs related to return on capital; debt and debt service charges; provisions for future losses or debts; interest owed; doubtful debts; currency exchange losses; bank costs charged by the Partner's bank for transfers from the Commission/Agency; excessive or reckless expenditure; deductible VAT or costs incurred during suspension of the implementation of the action.	

<i>Please explain any discrepancies in the body of the Report.</i>	
Statements to be made by Partner	Procedures to be carried out and Findings to be confirmed by the Auditor
<p>XI. Personnel costs were not declared under another EU or Euratom grant (including grants awarded by a Member State and financed by the EU budget and grants awarded by bodies other than the Commission/Agency for the purpose of implementing the EU or Euratom budget in the same period, unless the Partner can demonstrate that the operating grant does not cover any costs of the action).</p> <p><u>If additional remuneration as referred to in the grant agreement(s) is paid</u></p> <p>XII. The Partner is a non-profit legal entity;</p> <p>XIII. The additional remuneration is part of the partner's usual remuneration practices and paid consistently whenever the relevant work or expertise is required;</p> <p>XIV. The criteria used to calculate the additional remuneration are objective and generally applied regardless of the source of funding;</p> <p>XV. The additional remuneration included in the personnel costs used to calculate the hourly rates for the grant agreement(s) is capped at EUR 8 000 per full-time equivalent (reduced proportionately if the employee is not assigned exclusively to the action).</p> <p><i>[If certain statement(s) of section "C. Personnel costs" cannot be endorsed by the Partner they should be listed here below and reported as exception by the Auditor in the main Report of Factual Findings:</i> - ...]</p>	<p>in the statutory accounts and the payroll system.</p> <ul style="list-style-type: none"> ✓ to the extent that actual personnel costs were adjusted on the basis of budgeted or estimated elements, the Auditor carefully examined those elements and checked the information source to confirm that they correspond to objective and verifiable information; ✓ if additional remuneration has been claimed, the Auditor verified that the Partner was a non-profit legal entity, that the amount was capped at EUR 8000 per full-time equivalent and that it was reduced proportionately for employees not assigned exclusively to the action(s). ✓ the Auditor recalculated the personnel costs for the employees in the sample. <p>Factual finding:</p> <ol style="list-style-type: none"> 4. All the components of the remuneration that have been claimed as personnel costs are supported by underlying documentation. 5. The employees in the sample were employed directly by the Partner in accordance with applicable national law and were working under its sole supervision and responsibility. 6. Their employment contracts were in line with the Partner's usual policy; 7. Personnel costs were duly documented and consisted solely of salaries, social security contributions (pension contributions, health insurance, unemployment fund contributions, etc.), taxes and other statutory costs included in the remuneration (holiday pay, thirteenth month's pay, etc.); 8. The totals used to calculate the personnel unit costs are consistent with those registered in the payroll and accounting records; 9. To the extent that actual personnel costs were adjusted on the basis of budgeted or estimated elements, those elements were relevant for calculating the personnel costs and correspond to objective and verifiable

<i>Please explain any discrepancies in the body of the Report.</i>	
Statements to be made by Partner	Procedures to be carried out and Findings to be confirmed by the Auditor
	<p>information. The budgeted or estimated elements used are: — (indicate the elements and their values).</p> <p>10. Personnel costs contained no ineligible elements;</p> <p>11. Specific conditions for eligibility were fulfilled when additional remuneration was paid: a) the Partner is registered in the grant agreements as a non-profit legal entity; b) it was paid according to objective criteria generally applied regardless of the source of funding used and c) remuneration was capped at EUR 8000 per full-time equivalent (or up to up to the equivalent pro-rata amount if the person did not work on the action full-time during the year or did not work exclusively on the action).</p>
<p>D. Productive hours</p> <p>XVI. The number of productive hours per full-time employee applied is <i>[delete as appropriate]</i>:</p> <p>A. 1720 productive hours per year for a person working full-time (corresponding pro-rata for persons not working full time).</p> <p>B. the total number of hours worked in the year by a person for the Partner</p> <p>C. the standard number of annual hours generally applied by the partner for its personnel in accordance with its usual cost accounting practices. This number must be at least 90% of the standard annual workable hours.</p> <p><u>If method B is applied</u></p> <p>XVII. The calculation of the total number of hours worked was done as follows: annual workable hours of the person according to the employment contract, applicable labour agreement or national law plus overtime worked minus absences (such as sick leave and special leave).</p>	<p>Procedure (same sample basis as for Section C: Personnel costs):</p> <ul style="list-style-type: none"> ✓ The Auditor verified that the number of productive hours applied is in accordance with method A, B or C. ✓ The Auditor checked that the number of productive hours per full-time employee is correct. ✓ If method B is applied the Auditor verified i) the manner in which the total number of hours worked was done and ii) that the contract specified the annual workable hours by inspecting all the relevant documents, national legislation, labour agreements and contracts. ✓ If method C is applied the Auditor reviewed the manner in which the standard number of working hours per year has been calculated by inspecting all the relevant documents, national legislation, labour agreements and contracts and verified that the number of productive hours per year used for these calculations was at least 90% of the standard number of working hours per year. <p>Factual finding: <u>General</u></p>

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<p>XVIII. ‘Annual workable hours’ are hours during which the personnel must be working, at the employer’s disposal and carrying out his/her activity or duties under the employment contract, applicable collective labour agreement or national working time legislation.</p> <p>XIX. The contract (applicable collective labour agreement or national working time legislation) do specify the working time enabling to calculate the annual workable hours.</p> <p><u>If method C is applied</u></p> <p>XX. The standard number of productive hours per year is that of a full-time equivalent.</p> <p>XXI. The number of productive hours per year on which the hourly rate is based i) corresponds to the Partner’s usual accounting practices; ii) is at least 90% of the standard number of workable (working) hours per year.</p> <p>XXII. Standard workable (working) hours are hours during which personnel are at the Partner’s disposal performing the duties described in the relevant employment contract, collective labour agreement or national labour legislation. The number of standard annual workable (working) hours that the Partner claims is supported by labour contracts, national legislation and other documentary evidence.</p> <p><i>[If certain statement(s) of section “D. Productive hours” cannot be endorsed by the Partner they should be listed here below and reported as exception by the Auditor: ...]</i></p> <p>- ...]</p>	<p>12. The Partner applied a number of productive hours consistent with method A, B or C detailed in the left-hand column.</p> <p>13. The number of productive hours per year per full-time employee was accurate.</p> <p><u>If method B is applied</u></p> <p>14. The number of ‘annual workable hours’, overtime and absences was verifiable based on the documents provided by the Partner and the calculation of the total number of hours worked was accurate.</p> <p>15. The contract specified the working time enabling to calculate the annual workable hours.</p> <p><u>If method C is applied</u></p> <p>16. The calculation of the number of productive hours per year corresponded to the usual costs accounting practice of the Partner.</p> <p>17. The calculation of the standard number of workable (working) hours per year was corroborated by the documents presented by the Partner.</p> <p>18. The number of productive hours per year used for the calculation of the hourly rate was at least 90% of the number of workable (working) hours per year.</p>
<p>E. Hourly rates</p> <p>The hourly rates are correct because:</p> <p>XXIII. Hourly rates are correctly calculated since they result from dividing annual personnel costs by the productive hours of a given year and group</p>	<p>Procedure</p> <ul style="list-style-type: none"> ✓ The Auditor has obtained a list of all personnel rates calculated by the Partner in accordance with the methodology used. ✓ The Auditor has obtained a list of all the relevant employees, based on

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<p>(e.g. staff category or department or cost centre depending on the methodology applied) and they are in line with the statements made in section C. and D. above.</p> <p><i>[If the statement of section 'E. Hourly rates' cannot be endorsed by the Partner they should be listed here below and reported as exception by the Auditor: - ...]</i></p>	<p>which the personnel rate(s) are calculated.</p> <p>For 10 employees selected at random (same sample basis as Section C: Personnel costs):</p> <ul style="list-style-type: none"> ✓ The Auditor recalculated the hourly rates. ✓ The Auditor verified that the methodology applied corresponds to the usual accounting practices of the organisation and is applied consistently for all activities of the organisation on the basis of objective criteria irrespective of the source of funding. <p>Factual finding:</p> <p>19. No differences arose from the recalculation of the hourly rate for the employees included in the sample.</p>
<p>F. Time recording</p> <p>XXIV. Time recording is in place for all persons with no exclusive dedication to one Horizon 2020 action. At least all hours worked in connection with the grant agreement(s) are registered on a daily/weekly/monthly basis <i>[delete as appropriate]</i> using a paper/computer-based system <i>[delete as appropriate]</i>;</p> <p>XXV. For persons exclusively assigned to one Horizon 2020 activity the Partner has either signed a declaration to that effect or has put arrangements in place to record their working time;</p> <p>XXVI. Records of time worked have been signed by the person concerned (on paper or electronically) and approved by the action manager or line manager at least monthly;</p> <p>XXVII. Measures are in place to prevent staff from:</p> <ul style="list-style-type: none"> i. recording the same hours twice, ii. recording working hours during absence periods (e.g. holidays, sick 	<p>Procedure</p> <ul style="list-style-type: none"> ✓ The Auditor reviewed the brief description, all relevant manuals and/or internal guidance describing the methodology used to record time. <p>The Auditor reviewed the time records of the random sample of 10 employees referred to under Section C: Personnel costs, and verified in particular:</p> <ul style="list-style-type: none"> ✓ that time records were available for all persons with not exclusive assignment to the action; ✓ that time records were available for persons working exclusively for a Horizon 2020 action, or, alternatively, that a declaration signed by the Partner was available for them certifying that they were working exclusively for a Horizon 2020 action; ✓ that time records were signed and approved in due time and that all minimum requirements were fulfilled;

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<p>leave),</p> <p>iii. recording more than the number of productive hours per year used to calculate the hourly rates, and</p> <p>iv. recording hours worked outside the action period.</p> <p>XXVIII. No working time was recorded outside the action period;</p> <p>XXIX. No more hours were claimed than the productive hours used to calculate the hourly personnel rates.</p> <p><i>[Please provide a brief description of the <u>time recording system</u> in place together with the measures applied to ensure its reliability to the Auditor and annex it to the present certificate¹].</i></p> <p><i>[If certain statement(s) of section “F. Time recording” cannot be endorsed by the Partner they should be listed here below and reported as exception by the Auditor:</i> - ...]</p>	<ul style="list-style-type: none"> ✓ that the persons worked for the action in the periods claimed; ✓ that no more hours were claimed than the productive hours used to calculate the hourly personnel rates; ✓ that internal controls were in place to prevent that time is recorded twice, during absences for holidays or sick leave; that more hours are claimed per person per year for Horizon 2020 actions than the number of productive hours per year used to calculate the hourly rates; that working time is recorded outside the action period; ✓ the Auditor cross-checked the information with human-resources records to verify consistency and to ensure that the internal controls have been effective. In addition, the Auditor has verified that no more hours were charged to Horizon 2020 actions per person per year than the number of productive hours per year used to calculate the hourly rates, and verified that no time worked outside the action period was charged to the action. <p>Factual finding:</p> <p>20. The brief description, manuals and/or internal guidance on time recording provided by the Partner were consistent with management reports/records and other documents reviewed and were generally applied by the Partner to produce the financial statements.</p> <p>21. For the random sample time was recorded or, in the case of employees working exclusively for the action, either a signed declaration or time</p>

¹ The description of the time recording system must state among others information on the content of the time records, its coverage (full or action time-recording, for all personnel or only for personnel involved in H2020 actions), its degree of detail (whether there is a reference to the particular tasks accomplished), its form, periodicity of the time registration and authorisation (paper or a computer-based system; on a daily, weekly or monthly basis; signed and countersigned by whom), controls applied to prevent double-charging of time or ensure consistency with HR-records such as absences and travels as well as its information flow up to its use for the preparation of the Financial Statements.

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	<p>records were available;</p> <p>22. For the random sample the time records were signed by the employee and the action manager/line manager, at least monthly.</p> <p>23. Working time claimed for the action occurred in the periods claimed;</p> <p>24. No more hours were claimed than the number productive hours used to calculate the hourly personnel rates;</p> <p>25. There is proof that the Partner has checked that working time has not been claimed twice, that it is consistent with absence records and the number of productive hours per year, and that no working time has been claimed outside the action period.</p> <p>26. Working time claimed is consistent with that on record at the human-resources department.</p>

[official name of the [Partner] [Linked Third Party]]
[name and title of authorised representative]
[dd Month yyyy]
 <Signature of the [Partner] [Linked Third Party]>

[official name of the Auditor]
[name and title of authorised representative]
[dd Month yyyy]
 <Signature of the Auditor>