



European Research Council
Executive Agency

Established by the European Commission



Horizon 2020
European Union Funding
for Research & Innovation

European Research Council (ERC)

Mono-Beneficiary Model Grant Agreement

ERC Low-value

(H2020 ERC MGA Low-value — Mono)

Version 4.0
27 February 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"> ▪ Initial version |
| 2.0 & 2.1 | 01.10.2014 01.10.2015 | <ul style="list-style-type: none"> ▪ The main changes compared to version 1 of the model grant agreement are as follows: <ul style="list-style-type: none"> – Article 20.6 “Currency for financial statements and conversion into euro” to allow beneficiaries with accounts in other currencies than euro to convert into euro all costs incurred independently of the currency in which they were incurred (similar to FP7 projects); – Article 21.2 “Pre-financing payment – Amount – Amount retained for the Guarantee Fund” to give the possibility to the beneficiaries to receive the pre-financing payment 10 days prior to the starting date of the action. – Article 38.1.2 “Information on EU funding – Obligation and right to use the EU emblem and the ERC logo ” to ensure more visibility of the European Research Council (ERC) funding under the European Union’s Horizon 2020 research and innovation programme 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 4.2 '<i>Budget transfers</i>': increased budget flexibility for beneficiaries, 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 6.2.A '<i>Direct personnel costs</i>' to take into account to a larger extent the usual cost accounting practices of the beneficiaries by allowing them to calculate the hourly rate not only per full financial year but also per month. – Article 34.1 '<i>Obligation to comply with ethical and research integrity principles</i>' in order to underline the standards of research integrity that beneficiaries must respect. – Article 34.2 '<i>Activities raising ethical issues</i>' in order to simplify the beneficiaries' reporting obligations on ethics before the beginning of an activity raising an ethical issue. – Article 36.1 '<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 50.3 '<i>Termination of the Agreement or the participation of one of more beneficiaries by the Commission/Agency</i>' : the Commission/Agency may terminate the participation of a beneficiary if it 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 a beneficiary for which the participation may be terminated. For instance, the linked third party is bankrupt. |

Grant Agreement number: [insert number] [insert acronym] [insert call identifier]

H2020 Model Grant Agreements: H2020 ERC MGA Low-value — Mono: v4.0 – 27.02.2017

| | | |
|-----|------------|--|
| | | 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">– Article 52.1 'Forms and means of communication'▪ Other minor drafting changes and corrections of clerical mistakes can be viewed in a version with tracked changes. |



European Research Council
Executive Agency

Established by the European Commission



MODEL GRANT AGREEMENT FOR THE HORIZON 2020 PROGRAMME¹ ERC LOW-VALUE GRANTS² (H2020 ERC MGA LOW-VALUE — MONO)

Introductory remark

H2020 ERC MGA Low-value — Mono deviates from the General MGA — Mono as follows:

Generally:

- [Agency][Commission] is replaced by ‘Agency’
- References to/options for Euratom are taken out
- ‘Technical report(s)’ is replaced by ‘scientific report(s)’
- Annexes 2 (with two parts A and B) and 4 are different
- The table of contents is adapted
- Cross-references in the footnotes are adapted

In specific Articles:

- Preamble
- Article 4, 5, 6, 7, 10, 13, 18, 20, 21.1, 21.2, 21.5, 36, 38, 42.2, 51.1.2, 50.3.3
- Article Articles 8, 11, 12, 14, 15, 16, 21.3, 23a, 24, 25, 27, 28, 29, 30, 32, 33, 37, (not applicable)
- Articles 26, 31, 35, 39 (options)
- Annexes 3, 5, 6 (not applicable)

- **Footnotes in 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 General MGA does not apply in this grant 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.**

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).

² ERC Low-value grants fund initiatives, actions or studies which may enhance direct or indirect impact on research or ERC funded researchers.

GRANT AGREEMENT

NUMBER [insert number] — [insert acronym]

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

on the one part,

the **European Research Council Executive Agency (ERCEA)** ('the Agency'), under the power delegated by the European Commission ('the Commission'), represented for the purposes of signature of this Agreement by [[function, [Directorate-General, Directorate, Unit] [Department]], [forename and surname],³

and

on the other part,

'the beneficiary':

[full official name (short name)], established in [official address in full], [*OPTION for beneficiaries with VAT: VAT number [insert number]*], represented for the purposes of signing the Agreement by [function, forename and surname]

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

By signing the Agreement, the beneficiary accepts the grant and agrees to implement it under its responsibility and in accordance with the Agreement, with all the obligations and conditions it sets out.

The Agreement is composed of:

Terms and Conditions

- | | |
|---------|------------------------------------|
| Annex 1 | Description of the action |
| Annex 2 | Estimated budget for the action |
| Annex 3 | Not applicable |
| Annex 4 | Model for the financial statements |
| Annex 5 | Not applicable |
| Annex 6 | Not applicable |

³ The person representing the Agency must be an authorising officer (by delegation or sub-delegation) designated in accordance with document 60008 of 22.2.2001 '*Mise en place de la Charte des ordonnateurs*'.

TERMS AND CONDITIONS

TABLE OF CONTENTS

| | | |
|------------------|--|-----------|
| CHAPTER 1 | GENERAL | 11 |
| ARTICLE 1 | SUBJECT OF THE AGREEMENT | 11 |
| CHAPTER 2 | ACTION | 11 |
| ARTICLE 2 | ACTION TO BE IMPLEMENTED | 11 |
| ARTICLE 3 | DURATION AND STARTING DATE OF THE ACTION | 11 |
| ARTICLE 4 | ESTIMATED BUDGET AND BUDGET TRANSFERS | 11 |
| 4.1 | Estimated budget | 11 |
| 4.2 | Budget transfers | 11 |
| CHAPTER 3 | GRANT | 11 |
| ARTICLE 5 | GRANT AMOUNT, FORM OF GRANT, REIMBURSEMENT RATE AND FORM OF COSTS | 11 |
| 5.1 | Maximum grant amount | 11 |
| 5.2 | Form of grant, reimbursement rate and form of costs | 12 |
| 5.3 | Final grant amount — Calculation | 12 |
| 5.4 | Revised final grant amount — Calculation | 12 |
| ARTICLE 6 | ELIGIBLE AND INELIGIBLE COSTS | 13 |
| 6.1 | Eligible costs | 13 |
| 6.2 | Ineligible costs | 13 |
| 6.3 | Consequences of declaration of ineligible costs | 13 |
| CHAPTER 4 | RIGHTS AND OBLIGATIONS OF THE PARTIES | 13 |
| SECTION 1 | RIGHTS AND OBLIGATIONS RELATED TO IMPLEMENTING THE ACTION | 13 |
| ARTICLE 7 | GENERAL OBLIGATION TO PROPERLY IMPLEMENT THE ACTION | 14 |
| 7.1 | General obligation to properly implement the action | 14 |
| 7.2 | Consequences of non-compliance | 14 |
| ARTICLE 8 | RESOURCES TO IMPLEMENT THE ACTION — THIRD PARTIES INVOLVED IN THE ACTION | 14 |
| ARTICLE 9 | IMPLEMENTATION OF ACTION TASKS BY BENEFICIARIES NOT RECEIVING EU FUNDING | 14 |
| ARTICLE 10 | PURCHASE OF GOODS, WORKS OR SERVICES | 14 |
| 10.1 | Rules for purchasing goods, works or services | 14 |
| 10.2 | Consequences of non-compliance | 15 |
| ARTICLE 11 | USE OF IN-KIND CONTRIBUTIONS PROVIDED BY THIRD PARTIES AGAINST PAYMENT | 15 |
| ARTICLE 12 | USE OF IN-KIND CONTRIBUTIONS PROVIDED BY THIRD PARTIES FREE OF CHARGE | 15 |
| ARTICLE 13 | IMPLEMENTATION OF ACTION TASKS BY SUBCONTRACTORS | 15 |
| 13.1 | Rules for subcontracting action tasks | 15 |
| 13.2 | Consequences of non-compliance | 15 |
| ARTICLE 14 | IMPLEMENTATION OF ACTION TASKS BY LINKED THIRD PARTIES | 15 |
| ARTICLE 15 | FINANCIAL SUPPORT TO THIRD PARTIES | 16 |
| ARTICLE 16 | PROVISION OF TRANS-NATIONAL OR VIRTUAL ACCESS TO RESEARCH INFRASTRUCTURE | 16 |
| SECTION 2 | RIGHTS AND OBLIGATIONS RELATED TO THE GRANT ADMINISTRATION | 16 |

| | |
|--|-----------|
| ARTICLE 17 — GENERAL OBLIGATION TO INFORM | 16 |
| 17.1 General obligation to provide information upon request | 16 |
| 17.2 Obligation to keep information up to date and to inform about events and circumstances likely to affect the Agreement | 16 |
| 17.3 Consequences of non-compliance | 16 |
| ARTICLE 18 — KEEPING RECORDS — SUPPORTING DOCUMENTATION..... | 17 |
| 18.1 Obligation to keep records and other supporting documentation to support the costs declared..... | 17 |
| 18.2 Consequences of non-compliance | 17 |
| ARTICLE 19 — SUBMISSION OF DELIVERABLES | 17 |
| 19.1 Obligation to submit deliverables | 17 |
| 19.2 Consequences of non-compliance | 17 |
| ARTICLE 20 — REPORTING — PAYMENT REQUESTS..... | 17 |
| 20.1 Obligation to submit the report..... | 17 |
| 20.2 Reporting period..... | 18 |
| 20.3 Periodic reports — Requests for interim payments | 18 |
| 20.4 Final report — Request for payment of the balance | 18 |
| 20.5 Information on cumulative expenditure incurred..... | 19 |
| 20.6 Currency for financial statements | 19 |
| 20.7 Language of report..... | 19 |
| 20.8 Consequences of non-compliance | 19 |
| ARTICLE 21 — PAYMENTS AND PAYMENT ARRANGEMENTS | 19 |
| 21.1 Payments to be made | 19 |
| 21.2 Pre-financing payment — Amount — Amount retained for the Guarantee Fund | 19 |
| 21.3 Interim payments — Amount — Calculation | 20 |
| 21.4 Payment of the balance — Amount — Calculation — Release of the amount retained for the Guarantee Fund..... | 20 |
| 21.5 Notification of amounts due | 21 |
| 21.6 Currency for payments | 21 |
| 21.7 Payments to the beneficiary..... | 21 |
| 21.8 Bank account for payments | 21 |
| 21.9 Costs of payment transfers..... | 21 |
| 21.10 Date of payment..... | 22 |
| 21.11 Consequences of non-compliance | 22 |
| ARTICLE 22 — CHECKS, REVIEWS, AUDITS AND INVESTIGATIONS — EXTENSION OF FINDINGS | 22 |
| 22.1 Checks, reviews and audits by the Agency and the Commission | 22 |
| 22.2 Investigations by the European Anti-Fraud Office (OLAF)..... | 24 |
| 22.3 Checks and audits by the European Court of Auditors (ECA) | 25 |
| 22.4 Checks, reviews, audits and investigations for international organisations | 25 |
| 22.5 Consequences of findings in checks, reviews, audits and investigations —Extension of findings..... | 25 |
| 22.6 Consequences of non-compliance | 27 |
| ARTICLE 23 — EVALUATION OF THE IMPACT OF THE ACTION..... | 27 |
| 23.1 Right to evaluate the impact of the action | 27 |
| 23.2 Consequences of non-compliance | 28 |
| SECTION 3 RIGHTS AND OBLIGATIONS RELATED TO BACKGROUND AND RESULTS..... | 28 |

| | |
|---|-----------|
| SUBSECTION 1 GENERAL | 28 |
| ARTICLE 23a — MANAGEMENT OF INTELLECTUAL PROPERTY..... | 28 |
| SUBSECTION 2 RIGHTS AND OBLIGATIONS RELATED TO BACKGROUND | 28 |
| ARTICLE 24 — AGREEMENT ON BACKGROUND | 28 |
| ARTICLE 25 — ACCESS RIGHTS TO BACKGROUND | 28 |
| SUBSECTION 3 RIGHTS AND OBLIGATIONS RELATED TO RESULTS..... | 28 |
| ARTICLE 26 — OWNERSHIP OF RESULTS..... | 28 |
| [OPTION 1: 26.1 Ownership by the beneficiary that generates the results | 28 |
| 26.2 Joint ownership by several beneficiaries | 29 |
| 26.3 Rights of third parties (including personnel)..... | 29 |
| 26.4 Agency ownership, to protect results | 29 |
| 26.5 Consequences of non-compliance..... | 30 |
| ARTICLE 27 — PROTECTION OF RESULTS — VISIBILITY OF EU FUNDING | 30 |
| ARTICLE 28 — EXPLOITATION OF RESULTS | 30 |
| ARTICLE 29 —DISSEMINATION OF RESULTS — OPEN ACCESS — VISIBILITY OF EU FUNDING | 30 |
| ARTICLE 30 — TRANSFER AND LICENSING OF RESULTS | 30 |
| ARTICLE 31 — ACCESS RIGHTS TO RESULTS | 31 |
| [OPTION 1: 31.1 Access rights for the EU institutions, bodies, offices or agencies and EU Member States | 31 |
| 31.2 Consequences of non-compliance..... | 31 |
| SECTION 4 OTHER RIGHTS AND OBLIGATIONS | 31 |
| ARTICLE 32 — RECRUITMENT AND WORKING CONDITIONS FOR RESEARCHERS | 31 |
| ARTICLE 33 — GENDER EQUALITY | 31 |
| ARTICLE 34 — ETHICS AND RESEARCH INTEGRITY..... | 31 |
| 34.1 Obligation to comply with ethical and research integrity principles | 31 |
| 34.2 Activities raising ethical issues..... | 33 |
| 34.3 Activities involving human embryos or human embryonic stem cells | 33 |
| 34.4 Consequences of non-compliance | 34 |
| ARTICLE 35 — CONFLICT OF INTERESTS..... | 34 |
| [OPTION 1: 35.1 Obligation to avoid a conflict of interests | 34 |
| 35.2 Consequences of non-compliance..... | 34 |
| ARTICLE 36 — CONFIDENTIALITY | 34 |
| 36.1 General obligation to maintain confidentiality | 34 |
| 36.2 Consequences of non-compliance | 35 |
| ARTICLE 37 — SECURITY-RELATED OBLIGATIONS..... | 35 |
| ARTICLE 38 — PROMOTING THE ACTION — VISIBILITY OF EU FUNDING..... | 35 |
| 38.1 Obligation to promote the action and its results — Information on EU funding — Obligation and right to use the EU emblem — Disclaimer excluding Agency and Commission responsibility —Commission and Agency right to use materials, documents or information..... | 35 |
| 38.2 Consequences of non-compliance | 36 |
| ARTICLE 39 — PROCESSING OF PERSONAL DATA | 36 |
| [OPTION 1: 39.1 Processing of personal data by the Agency and the Commission | 37 |
| 39.2 Processing of personal data by the beneficiary | 37 |
| 39.3 Consequences of non-compliance..... | 37 |
| ARTICLE 40 — ASSIGNMENTS OF CLAIMS FOR PAYMENT AGAINST THE AGENCY..... | 37 |

| | | |
|------------------|--|-----------|
| CHAPTER 5 | BENEFICIARY’S ROLES AND RESPONSIBILITIES — RELATIONSHIP WITH COMPLEMENTARY BENEFICIARIES — RELATIONSHIP WITH PARTNERS OF A JOINT ACTION | 38 |
| ARTICLE 41 | —BENEFICIARY’S ROLES AND RESPONSIBILITIES — RELATIONSHIP WITH COMPLEMENTARY BENEFICIARIES — RELATIONSHIP WITH PARTNERS OF A JOINT ACTION | 38 |
| 41.1 | Role and responsibility towards the Agency | 38 |
| 41.2 | Internal division of roles and responsibilities | 38 |
| 41.3 | Internal arrangements between beneficiaries — Consortium agreement..... | 38 |
| 41.4 | Relationship with complementary beneficiaries — Collaboration agreement..... | 38 |
| 41.5 | Relationship with partners of a joint action — Coordination agreement..... | 38 |
| CHAPTER 6 | REJECTION OF COSTS — REDUCTION OF THE GRANT — RECOVERY — SANCTIONS — DAMAGES — SUSPENSION — TERMINATION — FORCE MAJEURE | 39 |
| SECTION 1 | REJECTION OF COSTS — REDUCTION OF THE GRANT — RECOVERY — SANCTIONS | 39 |
| ARTICLE 42 | — REJECTION OF INELIGIBLE COSTS | 39 |
| 42.1 | Conditions..... | 39 |
| 42.2 | Ineligible costs to be rejected — Calculation — Procedure | 39 |
| 42.3 | Effects..... | 39 |
| ARTICLE 43 | — REDUCTION OF THE GRANT | 39 |
| 43.1 | Conditions..... | 39 |
| 43.2 | Amount to be reduced — Calculation — Procedure | 40 |
| 43.3 | Effects..... | 40 |
| ARTICLE 44 | — RECOVERY OF UNDUE AMOUNTS | 40 |
| 44.1 | Amount to be recovered — Calculation — Procedure | 40 |
| ARTICLE 45 | — ADMINISTRATIVE SANCTIONS | 43 |
| SECTION 2 | LIABILITY FOR DAMAGES | 43 |
| ARTICLE 46 | — LIABILITY FOR DAMAGES | 43 |
| 46.1 | Liability of the Agency..... | 43 |
| 46.2 | Liability of the beneficiary | 43 |
| SECTION 3 | SUSPENSION AND TERMINATION..... | 43 |
| ARTICLE 47 | — SUSPENSION OF PAYMENT DEADLINE..... | 43 |
| 47.1 | Conditions..... | 43 |
| 47.2 | Procedure..... | 44 |
| ARTICLE 48 | — SUSPENSION OF PAYMENTS..... | 44 |
| 48.1 | Conditions..... | 44 |
| 48.2 | Procedure..... | 45 |
| ARTICLE 49 | — SUSPENSION OF THE ACTION IMPLEMENTATION | 45 |
| 49.1 | Suspension of the action implementation, by the beneficiary..... | 45 |
| 49.2 | Suspension of the action implementation, by the Agency | 46 |
| ARTICLE 50 | — TERMINATION OF THE AGREEMENT | 47 |
| 50.1 | Termination of the Agreement, by the beneficiary | 47 |
| 50.2 | Termination of the participation of one or more beneficiaries, by the beneficiaries | 48 |
| 50.3 | Termination of the Agreement, by the Agency | 48 |
| SECTION 4 | FORCE MAJEURE | 50 |
| ARTICLE 51 | — FORCE MAJEURE | 50 |
| CHAPTER 7 | FINAL PROVISIONS | 50 |

| | |
|--|----|
| ARTICLE 52 — COMMUNICATION BETWEEN THE PARTIES..... | 50 |
| 52.1 Form and means of communication..... | 50 |
| 52.2 Date of communication..... | 51 |
| 52.3 Addresses for communication | 51 |
| ARTICLE 53 — INTERPRETATION OF THE AGREEMENT | 52 |
| 53.1 Precedence of the Terms and Conditions over the Annexes..... | 52 |
| 53.2 Privileges and immunities..... | 52 |
| ARTICLE 54 — CALCULATION OF PERIODS, DATES AND DEADLINES..... | 52 |
| ARTICLE 55 — AMENDMENTS TO THE AGREEMENT..... | 52 |
| 55.1 Conditions..... | 52 |
| 55.2 Procedure..... | 52 |
| ARTICLE 56 — ACCESSION TO THE AGREEMENT..... | 53 |
| ARTICLE 57 — APPLICABLE LAW AND SETTLEMENT OF DISPUTES | 53 |
| 57.1 Applicable law | 53 |
| 57.2 Dispute settlement | 53 |
| ARTICLE 58 — ENTRY INTO FORCE OF THE AGREEMENT | 54 |

CHAPTER 1 GENERAL

ARTICLE 1 — SUBJECT OF THE AGREEMENT

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

CHAPTER 2 ACTION

ARTICLE 2 — ACTION TO BE IMPLEMENTED

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

ARTICLE 3 — DURATION AND STARTING DATE OF THE ACTION

The duration of the action will be [insert number] months as of [*OPTION 1 by default: the first day of the month following the date the Agreement enters into force (see Article 58)*] [*OPTION 2 if needed for the action: [insert date]*]^{4,5} ('**starting date of the action**').

ARTICLE 4 — ESTIMATED BUDGET AND BUDGET TRANSFERS

4.1 Estimated budget

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

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

4.2 Budget transfers

Not applicable

CHAPTER 3 GRANT

ARTICLE 5 — GRANT AMOUNT, FORM OF GRANT, REIMBURSEMENT RATE AND FORM OF COSTS

5.1 Maximum grant amount

The maximum grant amount is EUR [insert amount (insert amount in words)].

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

⁵ Text in *italics* shows the options of the Model Grant Agreement that are applicable to this Agreement.

5.2 Form of grant, reimbursement rate and form of costs

The grant reimburses **100%** of the action's eligible costs (see Article 6) ('**reimbursement of eligible costs grant**') (see Annex 2).

The estimated eligible costs of the action are **EUR [insert amount (insert amount in words)]**.

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

5.3 Final grant amount — Calculation

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

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

Step 1 — Application of the reimbursement rate

Step 2 — Reduction due to breach of obligations

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

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

5.3.2 Step 2 — Reduction due to substantial errors, irregularities or fraud or serious breach of obligations — Reduced maximum grant amount — Calculation

If the grant is reduced (see Article 43), the Agency will calculate the reduced maximum 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 43.2) from the maximum grant amount set out in Article 5.1.

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

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

5.4 Revised final grant amount — Calculation

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

This **amount** is calculated by the 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 Agency;
- in case of **reduction of the grant**: in proportion to the seriousness of the errors, irregularities or fraud or breach of obligations (see Article 43.2).

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

ARTICLE 6 — ELIGIBLE AND INELIGIBLE COSTS

6.1 Eligible costs

Costs for the budget category:

A. Direct and indirect costs of the action

Are eligible ('eligible costs'), if they correspond to the lump sum set out in Annex 2 and if the corresponding tasks or parts of the action have been properly implemented in accordance with Annex 1.

6.2 Ineligible costs

'Ineligible costs' are:

- (a) costs that do not comply with the conditions set out above (see Article 6.1) and
 - (b) costs declared under another EU or Euratom grant (including grants awarded by a Member State and financed by the EU or Euratom budget and grants awarded by bodies other than the Agency for the purpose of implementing the EU and Euratom budget.
- [(c) **OPTION for cost categories explicitly excluded in the work programme:** [insert name of excluded cost category]].*

6.3 Consequences of declaration of ineligible costs

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

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

CHAPTER 4 RIGHTS AND OBLIGATIONS OF THE PARTIES

SECTION 1 RIGHTS AND OBLIGATIONS RELATED TO IMPLEMENTING THE ACTION

ARTICLE 7 — GENERAL OBLIGATION TO PROPERLY IMPLEMENT THE ACTION

7.1 General obligation to properly implement the action

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

7.2 Consequences of non-compliance

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

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

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

ARTICLE 8 — RESOURCES TO IMPLEMENT THE ACTION — THIRD PARTIES INVOLVED IN THE ACTION

The beneficiary must have the appropriate resources to implement the action.

If it is necessary to implement the action, the beneficiary may:

- purchase goods, works and services (see Article 10) and
- call upon subcontractors to implement action tasks described in Annex 1 (see Article 13).

In these cases, the beneficiary retains sole responsibility towards the Agency for implementing the action.

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

Not applicable

ARTICLE 10 — PURCHASE OF GOODS, WORKS OR SERVICES

10.1 Rules for purchasing goods, works or services

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

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

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

10.2 Consequences of non-compliance

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

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

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

Not applicable

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

Not applicable

ARTICLE 13 — IMPLEMENTATION OF ACTION TASKS BY SUBCONTRACTORS

13.1 Rules for subcontracting action tasks

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

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

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

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

13.2 Consequences of non-compliance

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

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

ARTICLE 14 — IMPLEMENTATION OF ACTION TASKS BY LINKED THIRD PARTIES

Not applicable

ARTICLE 15 — FINANCIAL SUPPORT TO THIRD PARTIES

Not applicable

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

Not applicable

SECTION 2 RIGHTS AND OBLIGATIONS RELATED TO THE GRANT ADMINISTRATION

ARTICLE 17 — GENERAL OBLIGATION TO INFORM

17.1 General obligation to provide information upon request

The beneficiary must provide — during implementation of the action or afterwards — any information requested in order to verify proper implementation of the action and compliance with the obligations under the Agreement.

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

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

The beneficiary must immediately inform the Agency of any of the following:

- (a) **events** which are likely to affect significantly or delay the implementation of the action or the EU's financial interests, in particular changes in its legal, financial, technical, organisational or ownership situation.
- (b) **circumstances** affecting:
 - (i) the decision to award the grant or
 - (ii) compliance with requirements under the Agreement.

17.3 Consequences of non-compliance

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

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

ARTICLE 18 — KEEPING RECORDS — SUPPORTING DOCUMENTATION

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

The beneficiary must — for a period of three years after the balance is paid — keep adequate records and other supporting documentation to prove that the corresponding tasks or part of the action as described in Annex 1 have been implemented properly. The beneficiary does not need to identify the actual eligible costs covered or provide supporting documentation (such as accounting statements) to prove the amount declared as the lump sum.

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

If there are on-going checks, reviews, audits, investigations, litigation or other pursuits of claims under the Agreement (including the extension of findings; see Articles 22), the beneficiary must keep the records and other supporting documentation until the end of these procedures.

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

18.2 Consequences of non-compliance

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

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

ARTICLE 19 — SUBMISSION OF DELIVERABLES

19.1 Obligation to submit deliverables

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

19.2 Consequences of non-compliance

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

ARTICLE 20 — REPORTING — PAYMENT REQUESTS

20.1 Obligation to submit the report

The beneficiary must submit to the Agency (see Article 52) the final report set out in this Article. The financial report includes the request for payment.

The reports must be drawn up using the forms and templates provided in the electronic exchange system (see Article 52).

20.2 Reporting period

The action has one reporting period:

- RP1: from month 1 to month

20.3 Periodic reports — Requests for interim payments

Not applicable

20.4 Final report — Request for payment of the balance

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

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

- (a) a ‘**final technical report**’ containing a **summary** with:
 - (i) an overview of the results;
 - (ii) the conclusions on the action;
- (b) a ‘**final financial report**’ containing a ‘**financial statement**’ (see Annex 4), which includes the **request for payment of the balance**.

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

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

The beneficiary must **certify** that:

- the information provided is full, reliable and true;
- the costs declared are eligible (i.e. that the action has been properly implemented; see Article 6);
- the costs (i.e. the proper implementation of the action) can be substantiated by adequate records and supporting documentation (see Article 18) that will be produced upon request (see Article 17) or in the context of checks, reviews, audits and investigations (see Article 22).

20.5 Information on cumulative expenditure incurred

Not applicable

20.6 Currency for financial statements

The financial statement must be drafted in euro.

20.7 Language of report

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

20.8 Consequences of non-compliance

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

If the beneficiary breaches its obligation to submit the report and if it fails to comply with this obligation within 30 days following a written reminder, the Agency may terminate the Agreement (see Article 50) or apply any of the other measures described in Chapter 6.

ARTICLE 21 — PAYMENTS AND PAYMENT ARRANGEMENTS

21.1 Payments to be made

The following payments will be made to the beneficiary:

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

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

[OPTION 1 by default: The aim of the pre-financing is to provide the beneficiary with a float.

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

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

The Agency will — except if Article 48 applies — make the pre-financing payment to the beneficiary within 30 days, either from the entry into force of the Agreement (see Article 58) or from 10 days before the starting date of the action (see Article 3) whichever is the latest.

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

OPTION 2 if the JRC is the beneficiary: The Agency will make a pre-financing payment of EUR [insert amount including the 5% to be paid to the Guarantee Fund (insert amount in words)], within 30 days from the submission of a debit note from the JRC after the signature of the 'Arrangement'.

The JRC agrees that the amount of EUR [insert amount: 5% of the grant amount intended for the JRC (insert amount in words)], corresponding to its contribution to the Guarantee Fund (see Article 21.2), is transferred in its name by the Agency to the Guarantee Fund.]

21.3 Interim payments — Amount — Calculation

Not applicable

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

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

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

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

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

The **amount due as the balance** is calculated by the Agency by deducting the total amount of pre-financing already made, from the final grant amount determined in accordance with Article 5.3:

$$\left\{ \begin{array}{l} \text{final grant amount (see Article 5.3)} \\ \text{minus} \\ \text{pre-financing made} \end{array} \right\}.$$

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

- if the balance is positive: the amount released will be paid in full to the beneficiary together with the amount due as the balance;

- if the balance is negative (payment of the balance taking the form of recovery): it will be deducted from the amount released (see Article 44.1.2). If the resulting amount:
 - is positive, it will be paid to the beneficiary
 - is negative, it will be recovered.

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

21.5 Notification of amounts due

The Agency will formally notify to the beneficiary the amount due and specify the final grant amount.

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

21.6 Currency for payments

The Agency will make all payments in euro.

21.7 Payments to the beneficiary

Payments will be made to the beneficiary.

Payments will discharge the Agency from its payment obligation.

21.8 Bank account for payments

[OPTION 1 by default: All payments will be made to the following bank account:

Name of bank: [...]

Full name of the account holder: [...]

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

[IBAN code: [...]]⁶

[OPTION 2 if the JRC is the beneficiary: All payments will be made in accordance with the Commission's accounting rules on internal invoicing, from the operational budget line of the Agency to the Legal Entity File (LEF) number of the JRC and mentioning the recovery order (RO) number. The JRC will submit a debit note for each payment (including the pre-financing).]

21.9 Costs of payment transfers

⁶ BIC or SWIFT code applies to for countries if the IBAN code does not apply.

The cost of the payment transfers is borne as follows:

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

21.10 Date of payment

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

21.11 Consequences of non-compliance

21.11.1 **[OPTION 1 by default:** *If the Agency does not pay within the payment deadlines (see above), the beneficiary is entitled to **late-payment interest** at the rate applied by the European Central Bank (ECB) for its main refinancing operations in euros ('reference rate'), plus three and a half points. The reference rate is the rate in force on the first day of the month in which the payment deadline expires, as published in the C series of the Official Journal of the European Union.*

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

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

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

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

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

[OPTION 2 if the JRC is the beneficiary: Not applicable]

21.11.2 Not applicable

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

22.1 Checks, reviews and audits by the Agency and the Commission

22.1.1 Right to carry out checks

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

For this purpose the 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 17.

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

22.1.2 Right to carry out reviews

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

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

If the review is carried out on a third party (see Articles 10 to 16), the beneficiary 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 beneficiary of the identity of the external persons or bodies. It has the right to object to the appointment on grounds of commercial confidentiality.

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

For **on-the-spot** reviews, the beneficiary 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 beneficiary, which has 30 days to formally notify observations (**‘contradictory review procedure’**).

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

22.1.3 Right to carry out audits

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

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

If the audit is carried out on a third party (see Articles 10 to 16), the beneficiary 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 beneficiary of the identity of the external persons or bodies. It has the right to object to the appointment on grounds of commercial confidentiality.

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

For **on-the-spot** audits, the beneficiary 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 beneficiary, 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 beneficiary. The report will be formally notified to it.

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

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

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

Under Regulations No 883/2013⁷ and No 2185/96⁸ (and in accordance with their provisions and procedures), the European Anti-Fraud Office (OLAF) may — at any moment during implementation of the action or afterwards — carry out investigations, including on-the-spot checks and inspections, to establish whether there has been fraud, corruption or any other illegal activity affecting the financial interests of the EU.

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

Under Article 287 of the Treaty on the Functioning of the European Union (TFEU) and Article 161 of the Financial Regulation No 966/2012⁹, the European Court of Auditors (ECA) may — at any moment during implementation of the action or afterwards — carry out audits.

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

22.4 Checks, reviews, audits and investigations for international organisations

[OPTION 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 international organisation and the European Union.]

[OPTION 2: Not applicable]

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

22.5.1 Findings in this grant

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

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

⁷ 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).

⁸ 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).

⁹ Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 (OJ L 298, 26.10.2012, p. 1).

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

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

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

22.5.2 Findings in other grants

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

- (a) the beneficiary is found, in other EU or Euratom grants awarded under similar conditions, to have committed systemic or recurrent errors, irregularities, fraud or breach of obligations that have a material impact on this grant and
- (b) those findings are formally notified to the beneficiary — together with the list of grants affected by the findings — no later than two years after the payment of the balance of this grant.

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

22.5.3 Procedure

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

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

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

The beneficiary 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 42, 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.

22.5.3.2 If the findings concern **substantial errors, irregularities or fraud or serious breach of other 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 beneficiary 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 43, 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.

22.6 Consequences of non-compliance

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

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

ARTICLE 23 — EVALUATION OF THE IMPACT OF THE ACTION

23.1 Right to evaluate the impact of the action

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

Evaluations may be started during implementation of the action and up to three years after the payment of the balance. The evaluation is considered to start on the date of the formal notification to the beneficiary.

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 beneficiary must provide any information relevant to evaluate the impact of the action, including information in electronic format.

23.2 Consequences of non-compliance

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

SECTION 3 RIGHTS AND OBLIGATIONS RELATED TO BACKGROUND AND RESULTS

SUBSECTION 1 GENERAL

ARTICLE 23a — MANAGEMENT OF INTELLECTUAL PROPERTY

Not applicable

SUBSECTION 2 RIGHTS AND OBLIGATIONS RELATED TO BACKGROUND

ARTICLE 24 — AGREEMENT ON BACKGROUND

Not applicable

ARTICLE 25 — ACCESS RIGHTS TO BACKGROUND

Not applicable

SUBSECTION 3 RIGHTS AND OBLIGATIONS RELATED TO RESULTS

ARTICLE 26 — OWNERSHIP OF RESULTS

[OPTION 1: 26.1 Ownership by the beneficiary that generates the results

Results are owned by the beneficiary that generates them.

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

26.2 Joint ownership by several beneficiaries

Not applicable

26.3 Rights of third parties (including personnel)

If third parties (including personnel) may claim rights to the results, the beneficiary must ensure that it complies with its obligations under the Agreement.

If a third party generates results, the beneficiary 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 beneficiary itself.

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

26.4 Agency ownership, to protect results

26.4.1 The Agency may — with the consent of the beneficiary — assume ownership of results to protect them, if the beneficiary intends — up to four years after the period set out in Article 3 — 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 beneficiary intends to transfer the results to a third party established in an EU Member State or associated country¹⁰, which will protect them.*

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

If the Agency decides to assume ownership, it will formally notify the beneficiary within 45 days of receiving notification.

¹⁰ For the definition, see 2.1(3) 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)” (**‘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 H2020 Framework Programme Regulation No 1291/2013. Article 7 sets out the conditions for association of non-EU countries to Horizon 2020..

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

26.4.2 The Agency may — with the consent of the beneficiary — assume ownership of results to protect them, if the beneficiary intends — up to four years after the period set out in Article 3 — 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 beneficiary 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 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 beneficiary may refuse consent only if it can show that its legitimate interests would suffer significant harm.

If the Agency decides to assume ownership, it will formally notify the beneficiary within 45 days of receiving notification.

26.5 Consequences of non-compliance

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

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

[OPTION 2: Not applicable]

ARTICLE 27 — PROTECTION OF RESULTS — VISIBILITY OF EU FUNDING

Not applicable

ARTICLE 28 — EXPLOITATION OF RESULTS

Not applicable

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

Not applicable

ARTICLE 30 — TRANSFER AND LICENSING OF RESULTS

Not applicable

ARTICLE 31 — ACCESS RIGHTS TO RESULTS

[OPTION 1: 31.1 Access rights for the EU institutions, bodies, offices or agencies and EU Member States

The beneficiary must give access to its results — on a royalty-free basis — to EU institutions, bodies, offices or agencies, for developing, implementing or monitoring EU policies or programmes.

Such access rights are limited to non-commercial and non-competitive use.

This does not change the right to use any material, document or information received from the beneficiary for communication and publicising activities (see Article 38.2).

31.2 Consequences of non-compliance

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

[OPTION 2: Not applicable]

SECTION 4 OTHER RIGHTS AND OBLIGATIONS

ARTICLE 32 — RECRUITMENT AND WORKING CONDITIONS FOR RESEARCHERS

Not applicable

ARTICLE 33 — GENDER EQUALITY

Not applicable

ARTICLE 34 — ETHICS AND RESEARCH INTEGRITY

34.1 Obligation to comply with ethical and research integrity principles

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

The beneficiary 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.

The beneficiary must respect the highest standards of research integrity — as set out, for instance, in the European Code of Conduct for Research Integrity¹¹.

This implies notably compliance with the following essential principles:

- honesty;
- reliability;
- objectivity;
- impartiality;
- open communication;
- duty of care;
- fairness and
- responsibility for future science generations.

This means that the beneficiary must ensure that persons carrying out research tasks:

- present their research goals and intentions in an honest and transparent manner;
- design their research carefully and conduct it in a reliable fashion, taking its impact on society into account;

¹¹ European Code of Conduct for Research Integrity of ALLEA (All European Academies) and ESF (European Science Foundation) of March 2011.
http://ec.europa.eu/research/participants/data/ref/h2020/other/hi/h2020-ethics_code-of-conduct_en.pdf.

- use techniques and methodologies (including for data collection and management) that are appropriate for the field(s) concerned;
- exercise due care for the subjects of research — be they human beings, animals, the environment or cultural objects;
- ensure objectivity, accuracy and impartiality when disseminating the results;
- allow — *[OPTION for actions participating in the Open Research Data Pilot: in addition to the open access obligations under Article 29.3]* as much as possible and taking into account the legitimate interest of the beneficiary — access to research data, in order to enable research to be reproduced;
- make the necessary references to their work and that of other researchers;
- refrain from practicing any form of plagiarism, data falsification or fabrication;
- avoid double funding, conflicts of interest and misrepresentation of credentials or other research misconduct.

34.2 Activities raising ethical issues

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

Before the beginning of an activity raising an ethical issue, the beneficiary 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 for implementing the action tasks in question.

The documents must be kept on file and be submitted upon request by the beneficiary to the Agency (see Article 52). If they are not in English, they must be submitted together with an English summary which shows that the action tasks in question are covered and includes the conclusions of the committee or authority concerned (if available).

34.3 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 34.1, only if:

- they are set out in Annex 1 or

- the beneficiary has obtained explicit approval (in writing) from the Agency (see Article 52).

34.4 Consequences of non-compliance

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

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

ARTICLE 35 — CONFLICT OF INTERESTS

[OPTION 1: 35.1 Obligation to avoid a conflict of interests

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

It must formally notify to the 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 Agency may verify that the measures taken are appropriate and may require additional measures to be taken by a specified deadline.

35.2 Consequences of non-compliance

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

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

[OPTION 2: Not applicable]

ARTICLE 36 — CONFIDENTIALITY

36.1 General obligation to maintain confidentiality

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

They may use confidential information to implement the Agreement.

The confidentiality obligations no longer apply if:

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

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

36.2 Consequences of non-compliance

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

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

ARTICLE 37 — SECURITY-RELATED OBLIGATIONS

Not applicable

ARTICLE 38 — PROMOTING THE ACTION — VISIBILITY OF EU FUNDING

38.1 Obligation to promote the action and its results — Information on EU funding — Obligation and right to use the EU emblem — Disclaimer excluding Agency and Commission responsibility — Commission and Agency right to use materials, documents or information

The beneficiary must promote the action and its results.

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

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

For communication activities: “This project has received funding from the European Research Council (ERC) under the European Union’s Horizon 2020 research and innovation programme (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 Research Council (ERC) under the European Union’s Horizon 2020 research and innovation programme (grant agreement No [number])”.

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

The Agency and the Commission may use, for its own communication and publicising activities, information relating to the 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 beneficiary (including in electronic form).

The right to use the beneficiary'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, body, office or 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 (EC) No 1049/2001, 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 exploitation 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.

38.2 Consequences of non-compliance

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

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

ARTICLE 39 — PROCESSING OF PERSONAL DATA

[OPTION 1: 39.1 Processing of personal data by the Agency and the Commission

Any personal data under the Agreement will be processed by the Agency or the Commission under Regulation No 45/2001¹² 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 the Agreement or protecting the financial interests of the EU or Euratom (including checks, reviews, audits and investigations; see Article 22).

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).

39.2 Processing of personal data by the beneficiary

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

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

The beneficiary 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.

39.3 Consequences of non-compliance

If the beneficiary breaches any of its obligations under Article 39.2, the Agency may apply any of the measures described in Chapter 6.]

[OPTION 2: Not applicable]

ARTICLE 40 — ASSIGNMENTS OF CLAIMS FOR PAYMENT AGAINST THE AGENCY

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

¹² 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).

If the 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 beneficiary from its obligations towards the Agency.

**CHAPTER 5 BENEFICIARY'S ROLES AND RESPONSIBILITIES —
RELATIONSHIP WITH COMPLEMENTARY BENEFICIARIES —
RELATIONSHIP WITH PARTNERS OF A JOINT ACTION**

**ARTICLE 41 —BENEFICIARY'S ROLES AND RESPONSIBILITIES —
RELATIONSHIP WITH COMPLEMENTARY BENEFICIARIES
— RELATIONSHIP WITH PARTNERS OF A JOINT ACTION**

41.1 Role and responsibility towards the Agency

The beneficiary has full responsibility for implementing the action and complying with the Agreement.

The beneficiary is itself responsible for:

- (a) monitoring that the action is implemented properly (see Article 7);
- (b) informing the Agency immediately of any events or circumstances likely to affect significantly or delay the implementation of the action (see Article 17);
- (c) submitting the deliverables and the report to the Agency (see Articles 19 and 20);
- (d) submitting to the Agency in good time any documents or information required by it

and may not delegate or subcontract these tasks to any third party.

41.2 Internal division of roles and responsibilities

Not applicable

41.3 Internal arrangements between beneficiaries — Consortium agreement

Not applicable

41.4 Relationship with complementary beneficiaries — Collaboration agreement

Not applicable

41.5 Relationship with partners of a joint action — Coordination agreement

Not applicable

CHAPTER 6 REJECTION OF COSTS — REDUCTION OF THE GRANT — RECOVERY — SANCTIONS — DAMAGES — SUSPENSION — TERMINATION — FORCE MAJEURE

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

ARTICLE 42 — REJECTION OF INELIGIBLE COSTS

42.1 Conditions

The Agency will — **at the payment of the balance** or **afterwards** — reject any costs which are ineligible (i.e. if the action as described in Annex 1 is not properly implemented; see Article 6), in particular following checks, reviews, audits or investigations (see Article 22).

The rejection may also be based on the **extension of findings from other grants to this grant** (see Article 22.5.2).

42.2 Ineligible costs to be rejected — Calculation — Procedure

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

If the rejection of costs does not lead to a recovery (see Article 44), the Agency will formally notify the beneficiary of the rejection of costs, the amounts and the reasons why (if applicable, together with the notification of amounts due; see Article 21.5). The beneficiary may — within 30 days of receiving notification — formally notify the Agency of its disagreement and the reasons why.

If the rejection of costs leads to a recovery, the Agency will follow the contradictory procedure with ‘pre-information letter’ set out in Article 44.

42.3 Effects

If the Agency rejects costs **at the payment of the balance**, it will deduct them from the total eligible costs declared, for the action, in the financial statement (see Article 20.4). It will then calculate the payment of the balance as set out in Article 21.4.

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

ARTICLE 43 — REDUCTION OF THE GRANT

43.1 Conditions

The Agency may — **at the payment of the balance** or **afterwards** — reduce the maximum grant amount (see Article 5.1), if:

- (a) the beneficiary (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 Agreement or during the award procedure (including submission of false information, failure to provide required information, breach of ethical principles) or
- (b) the beneficiary (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 this grant (**extension of findings from other grants to this grant**; see Article 22.5.2).

Improper implementation of the action as described in Annex 1 will not lead to a reduction of the grant but to a rejection of costs (see Article 42).

43.2 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 grant, the Agency will formally notify a ‘**pre-information letter**’ to the beneficiary:

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

43.3 Effects

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

If the Agency reduces the grant **after the payment of the balance**, it will calculate the revised final grant amount (see Article 5.4). If the revised final grant amount is lower than the final grant amount, the Agency will recover the difference (see Article 44).

ARTICLE 44 — RECOVERY OF UNDUE AMOUNTS

44.1 Amount to be recovered — Calculation — Procedure

The Agency will — **at the payment of the balance** or **afterwards** — claim back any amount that was paid, but is not due under the Agreement.

44.1.1 Recovery after termination of a beneficiary's participation

Not applicable

44.1.2 Recovery at payment of the balance

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

- 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 Agency decides to pursue recovery despite the observations it has received, it will **confirm recovery** (together with the notification of amounts due; see Article 21.5) and:

- pay the difference between the amount to be recovered and the amount retained for the Guarantee Fund, **if the difference is positive** or
- formally notify to the beneficiary 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 beneficiary's consent — against any amounts owed to the beneficiary by the Agency, the Commission or another 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 beneficiary the debit note on behalf of the Guarantee Fund and recover the amount:

- (i) not applicable;

- (ii) by **taking legal action** (see Article 57) or by **adopting an enforceable decision** under Article 299 of the Treaty on the Functioning of the EU (TFEU) 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 21.11, 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 beneficiary, unless Directive 2007/64/EC applies.

44.1.3 Recovery of amounts after payment of the balance

If, the revised final grant amount (see Article 5.4) is lower than the final grant amount, the beneficiary must repay the difference to the Agency.

The Agency will formally notify a **pre-information letter** to the beneficiary:

- 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 Agency decides to pursue recovery despite the observations it has received, it will **confirm** the amount to be recovered and formally notify to the beneficiary 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 beneficiary's consent — against any amounts owed to the beneficiary by the Agency, the Commission or another 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 beneficiary the debit note on behalf of the Guarantee Fund and recover the amount:

- (i) not applicable;

- (ii) by **taking legal action** (see Article 57) or by **adopting an enforceable decision** under Article 299 of the Treaty on the Functioning of the EU (TFEU) 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 21.11, 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 beneficiary, unless Directive 2007/64/EC applies.

ARTICLE 45 — 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).

SECTION 2 LIABILITY FOR DAMAGES

ARTICLE 46 — LIABILITY FOR DAMAGES

46.1 Liability of the Agency

The Agency cannot be held liable for any damage caused to the beneficiary (or to third parties) as a consequence of implementing the Agreement, including for gross negligence.

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

46.2 Liability of the beneficiary

Except in case of force majeure (see Article 51), the beneficiary must compensate the Agency for any damage it sustains as a result of the implementation of the action or because the action was not implemented in full compliance with the Agreement.

SECTION 3 SUSPENSION AND TERMINATION

ARTICLE 47 — SUSPENSION OF PAYMENT DEADLINE

47.1 Conditions

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

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

47.2 Procedure

The Agency will formally notify the beneficiary of the suspension and the reasons why.

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

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

If the suspension exceeds two months, the beneficiary may request the Agency if the suspension will continue.

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

ARTICLE 48 — SUSPENSION OF PAYMENTS

48.1 Conditions

The Agency may — at any moment — suspend payments, in whole or in part, if:

- (a) the beneficiary (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 Agreement or during the award procedure (including improper implementation of the action, submission of false information, failure to provide required information, breach of ethical principles) or
- (b) the beneficiary (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 this grant (**extension of findings from other grants to this grant**; see Article 22.5.2).

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.

48.2 Procedure

Before suspending payments, the Agency will formally notify the beneficiary:

- 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 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 Agency.

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

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

ARTICLE 49 — SUSPENSION OF THE ACTION IMPLEMENTATION

49.1 Suspension of the action implementation, by the beneficiary

49.1.1 Conditions

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

49.1.2 Procedure

The beneficiary must immediately formally notify to the Agency the suspension (see Article 52), stating:

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

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

Once circumstances allow for implementation to resume, the beneficiary must immediately formally notify the Agency and request an **amendment** of the Agreement to set the date on which the action will be resumed, extend the duration of the action and make other changes

necessary to adapt the action to the new situation (see Article 55) — unless the Agreement has been terminated (see Article 50).

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

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

49.2 Suspension of the action implementation, by the Agency

49.2.1 Conditions

The Agency may suspend implementation of the action or any part of it, if:

- (a) the beneficiary (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 Agreement or during the award procedure (including improper implementation of the action, submission of false information, failure to provide required information, breach of ethical principles);
- (b) the beneficiary 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 this grant (**extension of findings from other grants to this grant**; see Article 22.5.2), or
- (c) the action is suspected of having lost its scientific or technological relevance.

49.2.2 Procedure

Before suspending implementation of the action, the Agency will formally notify the beneficiary:

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

The suspension will **take effect** five days after confirmation notification is received by the beneficiary (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 beneficiary will be formally notified of the lifting and the Agreement will be **amended** to set the date on which the action will be resumed, extend the duration of the action and make other changes necessary to adapt the action to the new situation (see Article 55) — unless the Agreement has already been terminated (see Article 50).

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

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

The beneficiary may not claim damages due to suspension by the Agency (see Article 46).

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

ARTICLE 50 — TERMINATION OF THE AGREEMENT

50.1 Termination of the Agreement, by the beneficiary

50.1.1 Conditions and procedure

The beneficiary may terminate the Agreement.

The beneficiary must formally notify termination to the Agency (see Article 52), stating:

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

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

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

50.1.2 Effects

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

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

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

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

50.2 Termination of the participation of one or more beneficiaries, by the beneficiaries

Not applicable

50.3 Termination of the Agreement, by the Agency

50.3.1 Conditions

The Agency may terminate the Agreement if:

- (a) not applicable;
- (b) a change to the beneficiary'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 action or calls into question the decision to award the grant;
- (c) not applicable;
- (d) implementation of the action is prevented by force majeure (see Article 51) or suspended by the beneficiary (see Article 49.1) and either:
 - (i) resumption is impossible, or
 - (ii) the necessary changes to the Agreement would call into question the decision awarding the grant or breach the principle of equal treatment of applicants;
- (e) the beneficiary is declared bankrupt, being wound up, having its affairs administered by the courts, has entered into an arrangement with creditors, has suspended business activities, or is subject to any other similar proceedings or procedures under national law;
- (f) the beneficiary (or a natural person who has the power to represent or take decisions on its behalf) has been found guilty of professional misconduct, proven by any means;
- (g) the beneficiary does not comply with the applicable national law on taxes and social security;
- (h) the action has lost scientific or technological relevance;
- (i) not applicable;
- (j) not applicable;
- (k) the beneficiary (or a natural person who has the power to represent or take decisions on its behalf) has committed fraud, corruption, or is involved in a criminal organisation, money laundering or any other illegal activity;

- (l) the beneficiary (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 Agreement or during the award procedure (including improper implementation of the action, submission of false information, failure to provide required information, breach of ethical principles);
- (m) the beneficiary (or the 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 this grant (**extension of findings from other grants to this grant**; see Article 22.5.2);
- (n) not applicable.

50.3.2 Procedure

Before terminating the Agreement, the Agency will formally notify the beneficiary:

- 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 Agency of the measures to ensure compliance with the obligations under the Agreement.

If the Agency does not receive observations or decides to pursue the procedure despite the observations it has received, it will formally notify to the beneficiary **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), (e), (g), (h), (j), and (l.ii) above: on the day specified in the notification of the confirmation (see above);
- for terminations under Points (d), (f), (i), (k), (l.i) and (m) above: on the day after the notification of the confirmation is received by the beneficiary.

50.3.3 Effects

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

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

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

This does not affect the Agency's right to reduce the grant (see Article 43) or to impose administrative sanctions (Article 45).

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

SECTION 4 FORCE MAJEURE

ARTICLE 51 — FORCE MAJEURE

'Force majeure' means any situation or event that:

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

The following cannot be invoked as force majeure:

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

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

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

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

CHAPTER 7 FINAL PROVISIONS

ARTICLE 52 — COMMUNICATION BETWEEN THE PARTIES

52.1 Form and means of communication

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

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

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 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 beneficiary must have designated— before the signature of this Agreement — a ‘legal entity appointed representative (LEAR)’. The role and tasks of the LEAR are stipulated in 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.

52.2 Date of communication

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

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

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

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

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

52.3 Addresses for communication

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

[insert URL]

The Agency will formally notify the beneficiary in advance any changes to this URL.

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

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

ARTICLE 53 — INTERPRETATION OF THE AGREEMENT

53.1 Precedence of the Terms and Conditions over the Annexes

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

Annex 2 takes precedence over Annex 1.

53.2 Privileges and immunities

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

[OPTION 2: Not applicable]

ARTICLE 54 — CALCULATION OF PERIODS, DATES AND DEADLINES

In accordance with Regulation No 1182/71¹³, periods expressed in days, months or years are calculated from the moment the triggering event occurs.

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

ARTICLE 55 — AMENDMENTS TO THE AGREEMENT

55.1 Conditions

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

Amendments may be requested by any of the parties.

55.2 Procedure

¹³ 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 party requesting an amendment must submit a request for amendment signed in the electronic exchange system (see Article 52).

The request for amendment must include:

- the reasons why;
- the appropriate supporting documents, and

The 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 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 56 — ACCESSION TO THE AGREEMENT

Not applicable

ARTICLE 57 — APPLICABLE LAW AND SETTLEMENT OF DISPUTES

57.1 Applicable law

[OPTION 1 by default: The Agreement is 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 + Belgium law): The Agreement is 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].]

57.2 Dispute settlement

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

[OPTION 2 if the beneficiary is a non-EU beneficiary (except if the beneficiary is established in an associated country¹⁴ 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 Agreement cannot be settled amicably, the competent Belgian courts have sole jurisdiction.]

[OPTION 3 if the beneficiary is an international organisation or a beneficiary not eligible for EU funding, and which according to its national law cannot be subject to the jurisdiction of the Belgian courts: Disputes concerning the interpretation, application or validity of the 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 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 44, 45 and 46), the beneficiary 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 be brought against the Commission (not against the Agency).

ARTICLE 58 — ENTRY INTO FORCE OF THE AGREEMENT

The Agreement will enter into force on the day of signature by the Agency or the beneficiary, depending on which is later.

SIGNATURES

For the beneficiary

[function/forename/surname]
[electronic signature]

Done in [English] on [electronic time stamp]

For the Agency

[forename/surname]
[electronic signature]

Done in [English] on [electronic time stamp]

¹⁴ For the definition, see 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 H2020 Framework Programme Regulation No 1291/2013. Article 7 sets out the conditions for association of non-EU countries to Horizon 2020.

🖨 print format A4

MODEL ANNEX 2 FOR H2020 ERC MGA LOW-VALUE — MONO

ESTIMATED BUDGET FOR THE ACTION

| Estimated eligible ¹ costs (per budget category) | | EU contribution | | |
|---|-------------|----------------------|--------------------------------------|-----------------------------------|
| A. Direct and indirect costs of the action | Total costs | Reimbursement rate % | Maximum EU contribution ² | Maximum grant amount ³ |
| | | | | |
| Form of costs ⁴ | Lump sum | | | |
| Beneficiary | | | | |

¹ See Article 6 for the eligibility conditions

² This is the *theoretical* amount of EU contribution that the system calculates automatically (by multiplying all the budgeted costs by the reimbursement rate). This *theoretical* amount is capped by the 'maximum grant amount' (that the Commission/Agency decided to grant for the action) (see Article 5.1).

³ The 'maximum grant amount' is the maximum grant amount decided by the Commission/Agency. It normally corresponds to the requested grant, but may be lower.

⁴ See Article 5 for the form of costs

🖨️ print format A4

MODEL ANNEX 4 FOR H2020 ERC LOW-VALUE — MONO

FINANCIAL STATEMENT FOR BENEFICIARY [name] FOR REPORTING PERIOD [reporting period]

| Eligible ¹ costs (per budget category) | | EU contribution | | |
|---|-------------|----------------------|-------------------------|---------------------------|
| A. Direct and indirect costs of the action | Total costs | Reimbursement rate % | Maximum EU contribution | Requested EU contribution |
| | | | | |
| Form of costs ² | Lump sum | | | |
| Beneficiary | | | | |

The beneficiary hereby confirms that:

The information provided is complete, reliable and true.

The costs declared are eligible (see Article 6).

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

¹ See Article 6 for the eligibility conditions

² See Article 5 for the forms of costs