



The EU Framework Programme
for Research and Innovation

HORIZON 2020



Mono-beneficiary model grant agreement for Marie Skłodowska-Curie COFUND (MSC-COFUND)

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Disclaimer

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

*Research and
Innovation*

EN



[EUROPEAN COMMISSION/Executive Agency]

DG

Directorate

Unit

MONO-BENEFICIARY MODEL GRANT AGREEMENT FOR MARIE SKŁODOWSKA-CURIE COFUND (MSC-COFUND)¹

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<u>CHAPTER</u>	style 'Chapter'
<u>SECTION</u>	style 'Section'
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ARTICLE 1	style 'Article'
ARTICLE 9	style 'Article grey'
4.1 Estimated budget	style 'Subarticle'
26.2 Joint ownership	style 'Subarticle grey'
Text (without list)	style 'Normal'
Table of Content levels	style 'TOC 1', 'TOC 2', 'TOC 3', 'TOC 4', 'TOC 5'
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Not applicable Articles and Subarticles must be formatted as 'Article grey' and 'Subarticle grey' in order not to appear in the Table of Contents

¹ MSC-COFUND grants fund regional, national and international doctoral or fellowship programmes for training, mobility and career development of researchers.

GRANT AGREEMENT

NUMBER [insert number] — [insert acronym]

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

on the one part,

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

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

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

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

and

on the other part,

'the beneficiary':

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

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

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

By signing [*OPTION by default: the Agreement*] [*OPTION if the JRC is the beneficiary: the administrative arrangement*], the beneficiary accepts the grant and agrees to implement the action under its responsibility and in accordance with the Agreement, with all the obligations and conditions it sets out.

The Agreement is composed of:

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

³ The person representing the [Commission][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

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

TERMS AND CONDITIONS

TABLE OF CONTENTS

CHAPTER 1	GENERAL	9
	ARTICLE 1 — SUBJECT OF THE AGREEMENT	9
CHAPTER 2	ACTION	9
	ARTICLE 2 — ACTION TO BE IMPLEMENTED [<i>— COMPLEMENTARY GRANT</i>] [<i>— JOINTLY FUNDED ACTION</i>]	9
	ARTICLE 3 — DURATION AND STARTING DATE OF THE ACTION	9
	ARTICLE 4 — ESTIMATED BUDGET AND BUDGET TRANSFERS	9
	4.1 Estimated budget	9
	4.2 Budget transfers	10
CHAPTER 3	GRANT	10
	ARTICLE 5 — GRANT AMOUNT, FORM OF GRANT, REIMBURSEMENT RATES AND FORMS OF COSTS	10
	5.1 Maximum grant amount	10
	5.2 Form of grant, reimbursement rate and form of costs	10
	5.3 Final grant amount — Calculation	10
	5.4 Revised final grant amount — Calculation	11
	ARTICLE 6 — ELIGIBLE AND INELIGIBLE COSTS	11
	6.1 General conditions for costs to be eligible	11
	6.2 Specific conditions for costs to be eligible	12
	6.3 Ineligible costs	12
	6.4 Consequences of declaration of ineligible costs	12
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	13
	7.1 General obligation to properly implement the action	13

7.2	Consequences of non-compliance.....	13
ARTICLE 8 — RESOURCES TO IMPLEMENT THE ACTION		
		13
ARTICLE 9 — IMPLEMENTATION OF ACTION TASKS BY BENEFICIARIES NOT RECEIVING EU FUNDING		
		13
ARTICLE 10 — PURCHASE OF GOODS, WORKS OR SERVICES		
		13
ARTICLE 11 — USE OF IN-KIND CONTRIBUTIONS PROVIDED BY THIRD PARTIES AGAINST PAYMENT		
		13
ARTICLE 12 — USE OF IN-KIND CONTRIBUTIONS PROVIDED BY THIRD PARTIES FREE OF CHARGE		
		13
ARTICLE 13 — IMPLEMENTATION OF ACTION TASKS BY SUBCONTRACTORS.....		
		14
ARTICLE 14 — IMPLEMENTATION OF ACTION TASKS BY LINKED THIRD PARTIES.....		
		14
ARTICLE 15 — FINANCIAL SUPPORT TO OR IMPLEMENTATION OF [DOCTORAL] [FELLOWSHIP] PROGRAMMES.....		
		14
15.1	Rules for providing financial support to or implementation of [doctoral][fellowship] programmes	14
15.2	Consequences of non-compliance.....	17
ARTICLE 16 — PROVISION OF TRANS-NATIONAL OR VIRTUAL ACCESS TO RESEARCH INFRASTRUCTURE.....		
		18
SECTION 2 RIGHTS AND OBLIGATIONS RELATED TO THE GRANT ADMINISTRATION 18		
ARTICLE 17 — GENERAL OBLIGATION TO INFORM		
		18
17.1	Obligation to provide information upon request.....	18
17.2	Obligation to keep information up to date and to inform about events and circumstances likely to affect the Agreement	18
17.3	Consequences of non-compliance.....	18
ARTICLE 18 — KEEPING RECORDS — SUPPORTING DOCUMENTATION.....		
		19
18.1	Obligation to keep records and other supporting documentation.....	19
18.2	Consequences of non-compliance.....	19
ARTICLE 19 — SUBMISSION OF DELIVERABLES.....		
		20
19.1	Obligation to submit deliverables	20
19.2	Consequences of non-compliance.....	20
ARTICLE 20 — REPORTING — PAYMENT REQUESTS.....		
		20
20.1	General obligation to submit reports.....	20
20.2	Reporting periods.....	20
20.3	Periodic reports — Requests for interim payments.....	20
20.4	Final report — Request for payment of the balance	22
20.5	Information on cumulative expenditure incurred.....	22
20.6	Currency for financial statements	23
20.7	Language of reports	23
20.8	Consequences of non-compliance — Suspension of the payment deadline — Termination ..	23
ARTICLE 21 — PAYMENTS AND PAYMENT ARRANGEMENTS		
		23
21.1	Payments to be made.....	23
21.2	Pre-financing payment — Amount — Amount retained for the Guarantee Fund.....	23
21.3	Interim payments — Amount — Calculation	24

21.4	Payment of the balance — Amount — Calculation — Release of the amount retained for the Guarantee Fund.....	25
21.5	Notification of amounts due.....	26
21.6	Currency for payments.....	26
21.7	Payments to the beneficiary.....	26
21.8	Bank account for payments.....	26
21.9	Costs of payment transfers.....	26
21.10	Date of payment.....	26
21.11	Consequences of non-compliance.....	27
ARTICLE 22 — CHECKS, REVIEWS, AUDITS AND INVESTIGATIONS — EXTENSION OF FINDINGS.....		27
22.1	Checks, reviews and audits by the Commission [<i>and the Agency</i>].....	27
22.2	Investigations by the European Anti-Fraud Office (OLAF).....	29
22.3	Checks and audits by the European Court of Auditors (ECA).....	30
22.4	Checks, reviews, audits and investigations for international organisations.....	30
22.5	Consequences of findings in checks, reviews, audits and investigations —Extension of findings.....	30
22.6	Consequences of non-compliance.....	32
ARTICLE 23 — EVALUATION OF THE IMPACT OF THE ACTION.....		32
23.1	Right to evaluate the impact of the action.....	32
23.2	Consequences of non-compliance.....	32
SECTION 3 RIGHTS AND OBLIGATIONS RELATED TO BACKGROUND AND RESULTS ...		33
SUBSECTION 1 GENERAL.....		33
ARTICLE 23a — MANAGEMENT OF INTELLECTUAL PROPERTY.....		33
23a.1	Obligation to take measures to implement the Commission Recommendation on the management of intellectual property in knowledge transfer activities.....	33
23a.2	Consequences of non-compliance.....	33
SUBSECTION 2 RIGHTS AND OBLIGATIONS RELATED TO BACKGROUND.....		33
ARTICLE 24 — AGREEMENT ON BACKGROUND.....		33
ARTICLE 25 — ACCESS RIGHTS TO BACKGROUND.....		34
25.1	Exercise of access rights — Waiving of access rights — No sub-licensing.....	34
25.2	Access rights for other beneficiaries, for implementing their own tasks under the action.....	34
25.3	Access rights for other beneficiaries, for exploiting their own results.....	34
25.4	Access rights for affiliated entities.....	34
25.5	Access rights for third parties.....	34
25.6	Consequences of non-compliance.....	34
SUBSECTION 3 RIGHTS AND OBLIGATIONS RELATED TO RESULTS.....		35
ARTICLE 26 — OWNERSHIP OF RESULTS.....		35
26.1	Ownership by the beneficiary that generates the results.....	35
26.2	Joint ownership by several beneficiaries.....	35
26.3	Rights of third parties (including personnel).....	35
26.4	[EU][Euratom][Agency] ownership, to protect results.....	35
26.5	Consequences of non-compliance.....	36

ARTICLE 27 — PROTECTION OF RESULTS — VISIBILITY OF EU FUNDING	36
27.1 General obligation to protect the results	36
27.2 [EU][Euratom][Agency] ownership, to protect the results	36
27.3 Information on EU funding.....	37
27.4 Consequences of non-compliance.....	37
ARTICLE 28 — EXPLOITATION OF RESULTS	37
28.1 General obligation to exploit the results	37
28.2 Results that could contribute to European or international standards — Information on EU funding.....	37
28.3 Consequences of non-compliance.....	38
ARTICLE 29 — DISSEMINATION OF RESULTS — OPEN ACCESS — VISIBILITY OF EU FUNDING.....	38
29.1 General obligation to disseminate results.....	38
29.2 Open access to scientific publications.....	38
29.3 Open access to research data.....	39
29.4 Information on EU funding — Obligation and right to use the EU emblem	40
29.5 Disclaimer excluding [Commission][Agency] responsibility	40
29.6 Consequences of non-compliance.....	40
ARTICLE 30 — TRANSFER AND LICENSING OF RESULTS	41
30.1 Transfer of ownership	41
30.2 Granting licences.....	41
30.3 [Commission][Agency] right to object to transfers or licensing	41
30.4 Consequences of non-compliance.....	43
ARTICLE 31 — ACCESS RIGHTS TO RESULTS	43
31.1 Exercise of access rights — Waiving of access rights — No sub-licensing	43
31.2 Access rights for other beneficiaries, for implementing their own tasks under the action....	43
31.3 Access rights for other beneficiaries, for exploiting their own results	43
31.4 Access rights of affiliated entities	43
31.5 Access rights for the EU institutions, bodies, offices or agencies and EU Member States....	43
31.6 Access rights for third parties	44
31.7 Consequences of non-compliance.....	45
SECTION 4 OTHER RIGHTS AND OBLIGATIONS.....	45
ARTICLE 32 — RECRUITMENT AND WORKING CONDITIONS FOR RESEARCHERS	45
ARTICLE 33 — GENDER EQUALITY	46
33.1 Obligation to aim for gender equality	46
33.2 Consequences of non-compliance.....	46
ARTICLE 34 — ETHICS	46
34.1 General obligation to comply with ethical principles.....	46
34.2 Activities raising ethical issues	46
34.3 Activities involving human embryos or human embryonic stem cells.....	47
34.4 Consequences of non-compliance.....	47
ARTICLE 35 — CONFLICT OF INTERESTS.....	47
35.1 Obligation to avoid a conflict of interests	47

35.2	Consequences of non-compliance.....	48
ARTICLE 36 — CONFIDENTIALITY		48
36.1	General obligation to maintain confidentiality.....	48
36.2	Consequences of non-compliance.....	49
ARTICLE 37 — SECURITY-RELATED OBLIGATIONS.....		49
37.1	Activities raising security issues	49
37.2	Classified deliverables	49
37.3	Activities involving dual-use goods or dangerous materials and substances	50
37.4	Consequences of non-compliance.....	50
ARTICLE 38 — PROMOTING THE ACTION — VISIBILITY OF EU FUNDING.....		50
38.1	Communication activities by the beneficiary.....	50
38.2	Communication activities by the <i>[Commission][Agency]</i>	51
38.3	Consequences of non-compliance.....	52
ARTICLE 39 — PROCESSING OF PERSONAL DATA		52
39.1	Processing of personal data by the <i>[Commission][Agency]</i>	52
39.2	Processing of personal data by the beneficiary	53
39.3	Consequences of non-compliance.....	53
ARTICLE 40 — ASSIGNMENTS OF CLAIMS FOR PAYMENT AGAINST THE <i>[COMMISSION][AGENCY]</i>		53
CHAPTER 5 DIVISION OF THE BENEFICIARY’S ROLES AND RESPONSIBILITIES [— RELATIONSHIP WITH COMPLEMENTARY BENEFICIARIES] [— RELATIONSHIP WITH PARTNERS OF A JOINT ACTION]		
ARTICLE 41 — DIVISION OF THE BENEFICIARY’S ROLES AND RESPONSIBILITIES <i>[— RELATIONSHIP WITH COMPLEMENTARY BENEFICIARIES] [— RELATIONSHIP WITH PARTNERS OF A JOINT ACTION]</i>		54
41.1	Role and responsibility towards the <i>[Commission][Agency]</i>	54
41.2	Internal division of roles and responsibilities.....	54
41.3	Internal arrangements between beneficiaries — Consortium agreement	54
41.4	Relationship with complementary beneficiaries — Collaboration agreement	54
41.5	Relationship with partners of a joint action — Coordination agreement.....	54
CHAPTER 6 REJECTION OF COSTS — REDUCTION OF THE GRANT — RECOVERY — PENALTIES — DAMAGES — SUSPENSION — TERMINATION — FORCE MAJEURE.....		
SECTION 1 REJECTION OF COSTS — REDUCTION OF THE GRANT — RECOVERY — PENALTIES.....		55
ARTICLE 42 — REJECTION OF INELIGIBLE COSTS.....		55
42.1	Conditions.....	55
42.2	Ineligible costs to be rejected — Calculation — Procedure.....	55
42.3	Effects	55
ARTICLE 43 — REDUCTION OF THE GRANT		56
43.1	Conditions.....	56
43.2	Amount to be reduced — Calculation — Procedure.....	56
43.3	Effects	56
ARTICLE 44 — RECOVERY OF UNDUE AMOUNTS		56
44.1	Amount to be recovered — Calculation — Procedure.....	56

ARTICLE 45 — ADMINISTRATIVE AND FINANCIAL PENALTIES	59
45.1 Conditions	59
45.2 Duration — Amount of penalty — Calculation	59
45.3 Procedure	60
SECTION 2 LIABILITY FOR DAMAGES	60
ARTICLE 46 — LIABILITY FOR DAMAGES	60
46.1 Liability of the [Commission][Agency]	60
46.2 Liability of the beneficiary	61
SECTION 3 SUSPENSION AND TERMINATION.....	62
ARTICLE 47 — SUSPENSION OF PAYMENT DEADLINE	62
47.1 Conditions	62
47.2 Procedure	62
ARTICLE 48 — SUSPENSION OF PAYMENTS.....	62
48.1 Conditions	62
48.2 Procedure	63
ARTICLE 49 — SUSPENSION OF THE ACTION IMPLEMENTATION	63
49.1 Suspension of the action implementation, by the beneficiary	63
49.2 Suspension of the action implementation, by the [Commission][Agency]	64
ARTICLE 50 — TERMINATION OF THE AGREEMENT	65
50.1 Termination of the Agreement, by the beneficiary	65
50.2 Termination of participation for one or more beneficiaries, by the beneficiaries	66
50.3 Termination of the Agreement, by the [Commission][Agency].....	66
SECTION 4 FORCE MAJEURE.....	68
ARTICLE 51 — FORCE MAJEURE	68
51.1 Force majeure.....	68
CHAPTER 7 FINAL PROVISIONS.....	69
ARTICLE 52 — COMMUNICATION BETWEEN THE PARTIES	69
52.1 Form and means of communication	69
52.2 Date of communication	70
52.3 Addresses for communication	70
ARTICLE 53 — INTERPRETATION OF THE AGREEMENT	70
53.1 Precedence of the Terms and Conditions over the Annexes	71
53.2 Privileges and immunities	71
ARTICLE 54 — CALCULATION OF PERIODS, DATES AND DEADLINES.....	71
ARTICLE 55 — AMENDMENTS TO THE AGREEMENT	71
55.1 Conditions	71
55.2 Procedure	71
ARTICLE 56 — ACCESSION TO THE AGREEMENT.....	72
ARTICLE 57 — APPLICABLE LAW AND SETTLEMENT OF DISPUTES	72
57.1 Applicable law	72
57.2 Dispute settlement.....	72
ARTICLE 58 — ENTRY INTO FORCE OF THE AGREEMENT	73

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 [— COMPLEMENTARY GRANT] [— JOINTLY FUNDED ACTION]

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

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

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

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

ARTICLE 3 — DURATION AND STARTING DATE OF THE ACTION

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

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

It contains the estimated eligible costs and the forms of costs, broken down [for the beneficiary (and linked third party) and] by budget category (see Articles 5, 6 [and 14]).

4.2 Budget transfers

Not applicable

CHAPTER 3 GRANT

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

5.1 Maximum grant amount

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

5.2 Form of grant, reimbursement rate and form of costs

The grant reimburses **50 %** 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 costs (see Article 6) must be declared under the following form (‘**form of costs**’):

- (a) for **costs of researchers in programmes implemented by the beneficiary**: on the basis of the amount(s) per unit set out in Annex 2 (‘**unit costs**’);
- (b) for costs of **financial support to costs of researchers in programmes implemented by a third party**: on the basis of the amount(s) per unit set out in Annex 2 (**unit costs**) and
- (c) for **management costs**: on the basis of the amount per unit set out in Annex 2 (**unit costs**).

5.3 Final grant amount — Calculation

The ‘**final grant amount**’ depends on the actual extent to which the action is implemented 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 to the eligible costs

Step 2 – Limit to the maximum grant amount

Step 3 – Reduction due to improper implementation or breach of other obligations

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

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

5.3.2 Step 2 — Limit to the maximum grant amount

If the amount obtained following Step 1 is higher than the maximum grant amount set out in Article 5.1, it will be limited to the latter.

5.3.3 Step 3 — Reduction due to improper implementation or breach of other 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 improper implementation of the action or to the seriousness of the breach of obligations in accordance with Article 43.2) from the maximum grant amount set out in Article 5.1.

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

- the amount obtained following Steps 1 and 2 or
- the reduced maximum grant amount following Step 3.

5.4 Revised final grant amount — Calculation

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

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

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

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

ARTICLE 6 — ELIGIBLE AND INELIGIBLE COSTS

6.1 General conditions for costs to be eligible

Unit costs are eligible (‘**eligible costs**’), if:

(a) they are calculated as follows:

{amounts per unit set out in Annex 2

multiplied by

the number of actual units};

(b) the number of actual units complies with the following conditions:

- the units must be actually used or produced in the period set out in Article 3;
- the units must be necessary for implementing the action or produced by it, and
- the number of units must be identifiable and verifiable, in particular supported by records and documentation (see Article 18).

6.2 Specific conditions for costs to be eligible

The following costs are eligible costs, if they comply with the general conditions (see above) and the following specific conditions for each budget category:

A. Costs of researchers ('living allowance')

A.1 Costs of researchers in programmes implemented by the beneficiary are eligible, if the number of units declared corresponds to the actual number of months spent by the researchers on the research training activities and if the conditions set out in Article 15.1.1 are met.

A.2. Financial support to costs of researchers in programmes implemented by a third party are eligible, if the number of units declared corresponds to the actual number of months spent by the researchers on the research training activities and if the conditions set out in Article 15.1.1 are met.

B. Management costs are eligible if the costs of the researchers (living allowance; see above) are eligible.

6.3 Ineligible costs

'Ineligible costs' are:

- (a) costs that do not comply with the conditions set out above (in Article 6.1 and 6.2);
- (b) costs reimbursed under another EU or Euratom grant (including grants awarded by a Member State and financed by the EU or Euratom budget and grants awarded by bodies other than the Agency for the purpose of implementing the EU or Euratom budget).

6.4 Consequences of declaration of ineligible costs

Grant Agreement number: [insert number] [insert acronym] [insert call identifier of the master call]

H2020 Model Grant Agreement: MSC-COFUND: December 2013

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 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 8 — RESOURCES TO IMPLEMENT THE ACTION

Not applicable

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

Not applicable

ARTICLE 10 — PURCHASE OF GOODS, WORKS OR SERVICES

Not applicable

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

Not applicable

ARTICLE 14 — IMPLEMENTATION OF ACTION TASKS BY LINKED THIRD PARTIES

Not applicable

ARTICLE 15 — FINANCIAL SUPPORT TO OR IMPLEMENTATION OF [DOCTORAL] [FELLOWSHIP] PROGRAMMES

15.1 Rules for providing financial support to or implementation of [doctoral][fellowship] programmes

15.1.1 The beneficiary must implement [doctoral][fellowship] programmes or provide financial support to such programmes implemented by third parties, in accordance with the following conditions:

(a) types of programmes:

[OPTION for DPs: The programmes must concern research training activities for recruited researchers that lead to the award of a doctoral degree ('doctoral programmes');]

[OPTION for FPs: The programmes must concern fellowships for research training activities for recruited researchers ('fellowship programmes').]

For fellowships where the main part of the research training activity does not take place in an EU Member State or associated country, the return phase to an EU Member State or associated country⁵ may not be more than 50 % of the total duration of the research training activity;]

(b) categories of persons that may be supported by the programmes:

[OPTION for DPs: The doctoral programmes must support researchers, who — at the time of recruitment —:

- *are 'early-stage researchers' (i.e. in the first four years of their research careers and not have a doctoral degree);*
- *show transnational mobility by carrying out the research training activities in a country (or — in case of international European interest organisations — in this organisation) where they have not resided or carried out their main activity for*

H2020 Model Grant Agreement: MSC-COFUND: December 2013

more than 12 months in the 3 years immediately prior to the recruitment, unless otherwise specified in Annex 1 for existing programmes;

- *are nationals or long-term residents of an EU Member State or associated country, in case of research training activities carried out in a country other than an EU Member State or associated country;*
- *fulfil any additional conditions set out in Annex 1.]*

[OPTION for FPs: *The fellowship programmes must support researchers, who — at the time of recruitment —:*

- *are ‘**experienced researchers**’ (i.e. in possession of a doctoral degree or have at least four years of research experience);*
- *show transnational mobility by carrying out the research training activities in a country (or — in case of international European interest organisations — in this organisation) where they have not resided or carried out their main activity for more than 12 months in the 3 years immediately prior to the recruitment, unless otherwise specified in Annex 1 for existing programmes;*
- *are nationals or long-term residents of an EU Member State or associated country, in case of research training activities carried out in a country other than an EU Member State or associated country;*
- *fulfil any additional conditions set out in Annex 1.]*

Researchers that are already permanently employed by the entity where the research training activities take place and that is recruiting them may not be supported.

(c) procedure and criteria for selecting researchers in the programmes:

[OPTION for DPs: *Researchers must be selected following an open, transparent, merit-based, impartial and equitable selection procedure, as described in Annex 1.*

Vacancies must be internationally advertised and published (including on the web-sites requested by the Agency).]

[OPTION for FP: *Researchers must be selected following an open, transparent, merit-based, impartial and equitable selection procedure, based on international peer review, as described in Annex 1.*

Selection committees must bring together diverse expertise, have an adequate gender balance and include members from other countries and with relevant experience to assess the candidates.

Fellowships must be granted via regular calls that are internationally advertised and published (including on the web-sites requested by the Agency) and have fixed deadlines or regular cut-off dates.

There must be no more than 4 deadlines or cut-off dates per year.]

(d) conditions for the recruitment of researchers under the programmes:

- researchers must be recruited under an **employment contract** (or other direct contract with equivalent benefits, including social security coverage) or — if not otherwise possible under national law — under a fixed-amount-fellowship agreement with minimum social security coverage;

- researchers must be recruited for at least 3 months;

- **[OPTION for DPs:** *for researchers recruited under an employment contract (or other direct contract with equivalent benefits, including social security): the total remuneration costs (salaries, social security contributions, taxes and other costs included in the remuneration) for each researcher per month are equal to or higher than EUR 2 597.*

For researchers recruited under a fixed-amount-fellowship agreement: the total costs of each fixed-amount fellowship per month are equal to or higher than EUR 1 298,50;]

- **[OPTION for FPs:** *for researchers recruited under an employment contract (or other direct contract with equivalent benefits, including social security): the total remuneration costs (salaries, social security contributions, taxes and other costs included in the remuneration) for each researcher per month are equal to or higher than EUR 3 675.*

For researchers recruited under a fixed-amount-fellowship agreement: the total costs of each fixed-amount fellowship per month are equal to or higher than EUR 1 837,50.]

15.1.2 In addition, the beneficiary must:

- take all measures to implement the principles set out in the Commission Recommendation on the European Charter for Researchers and the Code of Conduct for the Recruitment of Researchers⁶ and ensure that the researchers are aware of them;
- ensure that researchers enjoy — wherever the research training activities take place — the same standards of safety and occupational health as those of local researchers holding a similar position;
- ensure that researchers are provided with the means to carry out the research training activities (including the infrastructure, equipment and products);
- ensure that researchers receive appropriate assistance in all administrative procedures before national authorities;

⁶ Commission Recommendation (EC) No 251/2005 of 11 March 2005 on the European Charter for Researchers and on a Code of Conduct for the Recruitment of Researchers (OJ L 75).

- ensure that researchers are employed full-time, unless duly justified for reasons associated with personal or family reasons;
- ensure that researchers work exclusively on the research training activities;
- ensure that the research training activities (including activities raising ethical issues and research on human embryos or human embryonic stem cell) comply with the ethical principles set out in Article 34;
- ensure that the researchers are informed that they are ‘Marie Skłodowska-Curie fellows’;
- ensure that researchers are paid in accordance with their contract (employment contract, other direct contract or fixed-amount fellowship agreement);
- ensure that the contract (employment contract, other direct contract or fixed-amount fellowship agreement) complies with the provisions of this Agreement and specifies the research training activities;
- ensure that the contract (employment contract, other direct contract or fixed-amount fellowship agreement) specifies arrangements relating to confidentiality and intellectual property rights (in particular to access to background, use of foreground, promoting the action) — during the research training activities and afterwards;
- inform the researchers about their obligation to complete and submit — at the end of the research training activities — the evaluation questionnaire and — two years later — follow-up questionnaire provided by the Agency;
- in case of third parties implementing the programmes: ensure that the Commission and the Agency, the European Court of Auditors (ECA) and the European Anti-fraud Office (OLAF) can exercise their rights under Article 22 and 23 also towards those third parties;

[OPTIONS for DPs:

- *ensure gender balance in the recruited researchers;*
- *appoint a supervisor with adequate experience to provide the researchers with academic support and a career plan.]*

15.2 Consequences of non-compliance

If a beneficiary breaches its obligations under Article 15.1.1, the costs of the researchers will be ineligible (see Article 6) and will be rejected (see Article 42).

If the beneficiary breaches its obligations under Article 15.1.2, the grant may be reduced (see Article 43).

Such breaches may also lead to the application of any of the other measures provided for in Chapter 6.

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

Not applicable

SECTION 2 RIGHTS AND OBLIGATIONS RELATED TO THE GRANT ADMINISTRATION

ARTICLE 17 — GENERAL OBLIGATION TO INFORM

17.1 Obligation to provide information upon request

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

The beneficiary must immediately inform the *[Commission][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:
 - (i) changes in its legal, financial, technical, organisational or ownership situation *[or those of its linked third parties and*
 - (ii) *changes in the name, address, legal form, organisation type of its linked third parties;]*
- (b) **circumstances** affecting:
 - (i) the decision to award the grant or
 - (ii) compliance with requirements under the Agreement.

17.3 Consequences of non-compliance

If 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

The beneficiary must — for a period of [*OPTION by default: five*][*OPTION for low value grants*⁷: *three*] years after the payment of the balance — keep records and other supporting documentation in order to prove the proper implementation of the action and the costs it declares as eligible.

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 Article 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 [*Commission*][*Agency*] may accept non-original documents if it considers that they offer a comparable level of assurance.

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

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

18.1.2 Records and other documentation to support the costs declared

The beneficiary must keep adequate records and other supporting documentation to prove the number of units declared and the total remuneration or fixed-amount fellowship costs of the recruited researchers.

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), and the grant may be reduced (see Article 43).

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

⁷ For the definition, see Article 185 of Commission Delegated Regulation (EU) No 1268/2012 of 29 October 2012 on the rules of application of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council on the financial rules applicable to the general budget of the Union (OJ L 362, 31.12.2012, p. 1) ('**Rules of Application Regulation No 1268/2012**): 'low value grants' are lower or equal to EUR 60 000.

ARTICLE 19 — SUBMISSION OF DELIVERABLES

19.1 Obligation to submit deliverables

The beneficiary must submit:

- a ‘**researcher declaration**’ within 20 days of the start of the research training activities, for each researcher and in a format specified by the Agency;
- any **other deliverables** identified in Annex 1, in accordance with the timing and conditions set out in it.

19.2 Consequences of non-compliance

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

ARTICLE 20 — REPORTING — PAYMENT REQUESTS

20.1 General obligation to submit reports

The beneficiary must submit to the [Commission][Agency] (see Article 52) technical and financial reports, including requests for payment.

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

20.2 Reporting periods

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

- RP1: from month 1 to month [X]
- [- RP2: from month [X+1] to month [Y]*
- RP3: from month [Y+1] to month [Z]*
- [same for other RPs]*
- RPN: from month [N+1] to [the last month of the project].]

20.3 Periodic reports — Requests for interim payments

The beneficiary must submit a periodic report within 60 days following the end of each reporting period.

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

(a) a ‘**periodic technical report**’ containing:

- (i) an **explanation of the work carried out** by the beneficiary;

- (ii) an **overview of the progress** towards the objectives of the action, including milestones and deliverables identified in Annex 1.

This report must include explanations justifying the differences between work expected to be carried out in accordance with Annex 1 and that actually carried out.

The report must also detail the exploitation and dissemination of the results and — if required in Annex 1 — an updated ‘**plan for the exploitation and dissemination of the results**’ [;][.]

[OPTION for providing access to trans-national access to research infrastructure: The report must detail the access activity, indicating the members of the selection panel, the selection procedure, the exact amount of access provided to the user groups, the description of their work, and information on the users (including names, nationality and home institutions).]
[OPTION for providing access to virtual services: The reports must detail the access activity, with statistics on the virtual access provided in the period, including quantity, geographical distribution of users and, whenever possible, information/statistics on scientific outcomes (publications, patents, etc.) acknowledging the use of the infrastructure];

- (iii) a **summary** for publication by the [Commission][Agency];
- (iv) the answers to the ‘**questionnaire**’, covering issues related to the action implementation and the economic and societal impact, notably in the context of the Horizon 2020 key performance indicators and the Horizon 2020 monitoring requirements;

(b) a ‘**periodic financial report**’ containing:

- (i) an ‘**individual financial statement**’ (see Annex 4) [from the beneficiary and from each linked third party], for the reporting period concerned.

The individual financial statement must detail the eligible costs (actual costs, unit costs and flat-rate costs [and lump sum costs]; see Article 6) for each budget category (see Annex 2).

The beneficiary [and linked third parties] must declare all eligible costs, even if — for actual costs, unit costs and flat-rate costs — they exceed the amounts indicated in the estimated budget (see Annex 2). Amounts which are not declared in the individual financial statement will not be taken into account by the [Commission][Agency].

If an individual financial statement is not submitted for a reporting period, it may be included in the periodic financial report for the next reporting period.

The individual financial statements of the last reporting period must also detail the **receipts of the action** (see Article 5.3.3).

The beneficiary [*and each linked third party*] must **certify** that:

- the information provided is full, reliable and true;
 - the costs declared are eligible (see Article 6);
 - the costs 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), and
 - for the last reporting period: that all the receipts have been declared (see Article 5.3.3);
- (ii) an **explanation of the use of resources** and the information on subcontracting (see Article 13) and in-kind contributions provided by third parties (see Articles 11 and 12) [*from the beneficiary and from each linked third party*], for the reporting period concerned;
- (iii) not applicable;
- (iv) a ‘**periodic summary financial statement**’ (see Annex 4), created automatically by the electronic exchange system, consolidating the individual financial statements for the reporting period concerned and including — except for the last reporting period — the **request for interim payment**.

20.4 Final report — Request for payment of the balance

In addition to the periodic report for the last reporting period, the beneficiary must submit the final report within 60 days following the end of the last reporting period.

The final report must include the following:

- (a) a ‘**final technical report**’ with a summary for publication containing:
- (i) an overview of the results and their exploitation and dissemination;
 - (ii) the conclusions on the action, and
 - (iii) the socio-economic impact of the action;
- (b) a ‘**final financial report**’ containing a ‘**final summary financial statement**’ (see Annex 4), created automatically by the electronic exchange system, consolidating the individual financial statements for all reporting periods and including the **request for payment of the balance**.

20.5 Information on cumulative expenditure incurred

[OPTION for big grants with reporting periods beyond 18 months⁸: In addition to the reporting requirements set out above (Article 20.1 to 20.3), the beneficiary must inform the [Commission][Agency] by [31 December][30 November] each year of the cumulative expenditure incurred by the beneficiary from the start date of the action.

This information is required for the [Commission's][Agency's] accounting purposes and will not be used to calculate the final grant amount.]

[OPTION: not applicable]

20.6 Currency for financial statements

Financial statements must be drafted in euro.

20.7 Language of reports

All reports (technical and financial reports, including financial statements) must be submitted in the language of the Agreement.

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

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

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

ARTICLE 21 — PAYMENTS AND PAYMENT ARRANGEMENTS

21.1 Payments to be made

The following payments will be made to the beneficiary:

- one **pre-financing payment**;
- one or more **interim payments**, on the basis of the request(s) for interim payment (see Article 20), and
- 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

⁸ To be added in the case of grants of more than EUR 5 million for which a pre-financing is paid and the reporting periods for interim payments or payments of the balance exceed eighteen months.

Grant Agreement number: [insert number] [insert acronym] [insert call identifier of the master call]

H2020 Model Grant Agreement: MSC-COFUND: December 2013

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

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

[OPTION if the JRC is the beneficiary: Moreover, the part of the pre-financing payment related to the Joint Research Centre (JRC) ([insert amount (insert amount in words)]) is not paid to the beneficiary, but kept by the [Commission][Agency] for the JRC.]

21.3 Interim payments — Amount — Calculation

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

The [Commission][Agency] will pay to the beneficiary the amount due as interim payment within 90 days from receiving the periodic report (see Article 20.3), except if Articles 47 or 48 apply.

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

The **amount due as interim payment** is calculated by the [Commission][Agency] in the following steps:

Step 1 – Application of the reimbursement rates

Step 2 – Limit to 90% of the maximum grant amount

21.3.1 Step 1 — Application of the reimbursement rates

The reimbursement rate(s) (see Article 5.2) are applied to the eligible costs (actual costs, unit costs and flat-rate costs *[and lump sum costs]*; see Article 6) declared by the beneficiary *[and the linked third parties]* (see Article 20) and approved by the [Commission][Agency] (see above) for the concerned reporting period.

21.3.2 Step 2 — Limit to 90% of the maximum grant amount

The total amount of pre-financing and interim payments must not exceed 90% of the maximum grant amount set out in Article 5.1. The maximum amount for the interim payment will be calculated as follows:

{90% of the maximum grant amount (see Article 5.1)

minus

{pre-financing and previous interim payments}}.

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 [Commission][Agency] will pay the balance within 90 days from receiving the final report (see Article 20.4), except if Articles 47 or 48 apply.

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

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

{final grant amount (see Article 5.3)

minus

{pre-financing and interim payments (if any) made}}.

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 to beneficiary by the Commission or an executive agency (from 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

When making payments, the [Commission][Agency] will formally notify to the beneficiary the amount due, specifying whether it concerns an interim payment or the payment of the balance.

For the payment of the balance, the notification will also specify the final grant amount.

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

21.6 Currency for payments

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

21.7 Payments to the beneficiary

Payments will be made to the beneficiary.

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

21.8 Bank account for payments

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

Name of bank: [...]

Address of branch: [...]

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

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

[IBAN code: [...]]⁹

[OPTION if the JRC is the beneficiary: All payments will be made in accordance with Annex 3b]

21.9 Costs of payment transfers

The cost of the payment transfers is borne as follows:

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

21.10 Date of payment

⁹ BIC or SWIFT code applies to for countries if the IBAN code does not apply.

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

21.11 Consequences of non-compliance

21.11.1 If the [Commission][Agency] does not pay within the payment deadlines (see above), the 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.

21.11.2 Not applicable

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

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

22.1.1 Right to carry out checks

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

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

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

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

22.1.2 Right to carry out reviews

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

Reviews may be started **up to two years after the payment of the balance**. They will be formally notified to the 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 Commission [*or the Agency*] may carry out reviews directly (using its own staff) or indirectly (using external persons or bodies appointed to do so). It will inform the 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 Commission [*or the Agency*] may request the beneficiary to provide such information to it directly.

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

Audits may be started **up to two years after the payment of the balance**. They will be formally notified to the 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 Commission *[or the Agency]* may carry out audits directly (using its own staff) or indirectly (using external persons or bodies appointed to do so). It will inform the 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. The Commission *[or the Agency]* may request the beneficiary to provide such information to it directly.

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 Commission *[or the Agency]* 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 Commission *[or the Agency]* 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 Commission *[or the Agency]* may also access the beneficiary’ 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 883/2013¹⁰ and No 2185/96¹¹ (and in accordance with their provisions and procedures), the European Anti-Fraud Office (OLAF) may — at any moment during implementation of the action or afterwards — carry out investigations, including on-the-spot checks and inspections, to establish whether, concerning the action funded under the Agreement, there has been fraud, corruption or any other illegal activity affecting the financial interests of the EU.

¹⁰ 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).

¹¹ 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).

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 966/2012¹², the European Court of Auditors (ECA) may — at any moment during implementation of the action or afterwards — carry out audits.

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

22.4 Checks, reviews, audits and investigations for international organisations

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

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

[OPTION: not applicable]

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

22.5.1 Findings in this grant

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

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

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

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

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

22.5.2 Findings in other grants

¹² 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).

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

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

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

- (a) an invitation to submit observations on the list of grants affected by the findings;
- (b) the request to submit **revised financial statements** for all grants affected;
- (c) the **correction rate for extrapolation** established by the Commission [*or the Agency*] on the basis of the systemic or recurrent errors, to calculate the amounts to be rejected if the beneficiary:
 - (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 Commission [*or the Agency*] in justified cases.

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

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

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

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

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

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

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

If the Commission *[or the Agency]* accepts the alternative flat-rate proposed by the beneficiary, it will formally notify the application of the accepted 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 Commission *[or the Agency]* may carry out interim and final evaluations of the impact of the action measured against the objective of the *[EU][Euratom]* programme.

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

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

The 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 Commission [or the Agency] may apply the measures described in Chapter 6.

SECTION 3 RIGHTS AND OBLIGATIONS RELATED TO BACKGROUND AND RESULTS

SUBSECTION 1 GENERAL

ARTICLE 23a — MANAGEMENT OF INTELLECTUAL PROPERTY

23a.1 Obligation to take measures to implement the Commission Recommendation on the management of intellectual property in knowledge transfer activities

If the beneficiary is a university or other public research organisation it must take measures to implement the principles set out in Points 1 and 2 of the Code of Practice annexed to the Commission Recommendation on the management of intellectual property in knowledge transfer activities¹³.

This does not change the obligations set out in Subsections 2 and 3 of this Section.

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

23a.2 Consequences of non-compliance

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

SUBSECTION 2 RIGHTS AND OBLIGATIONS RELATED TO BACKGROUND

ARTICLE 24 — AGREEMENT ON BACKGROUND

[OPTION if an option under Article 25.5 applies: The beneficiary must identify (in writing) the background for the action.

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

(a) is held by the beneficiary before its accession to the Agreement, and

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

[OPTION: not applicable]

¹³ Commission Recommendation C (2008) 1329 of 10.4.2008 on the management of intellectual property in knowledge transfer activities and the Code of Practice for universities and other public research institutions attached to this recommendation.

ARTICLE 25 — ACCESS RIGHTS TO BACKGROUND

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

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

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

Waivers of access rights are not valid unless in writing.

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

25.2 Access rights for other beneficiaries, for implementing their own tasks under the action

Not applicable

25.3 Access rights for other beneficiaries, for exploiting their own results

Not applicable

25.4 Access rights for affiliated entities

Not applicable^{14, 15}

25.5 Access rights for third parties

[OPTION for access to research infrastructures: The access provider must — unless it is subject to legal restrictions or limits, including those imposed by the rights of third parties (including personnel) — give access to the users to the background of the access provider needed to implement the action.

The access provider must inform the users as soon as possible of any restriction which might substantially affect the granting of access rights.]

[OPTION: not applicable]

25.6 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.

¹⁴ Not applicable.

¹⁵ Not applicable.

SUBSECTION 3 RIGHTS AND OBLIGATIONS RELATED TO RESULTS

ARTICLE 26 — OWNERSHIP OF RESULTS

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

26.4.1 [The EU][Euratom][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 country, 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 [Commission][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 [Commission][Agency] decides to assume ownership, it will formally notify the beneficiary within 45 days of receiving notification.

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

26.4.2 [The EU][Euratom][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 [Commission][Agency] at least 60 days before the protection lapses or its extension is no longer possible and at the same time inform it of any reasons for refusing consent. The beneficiary may refuse consent only if it can show that its legitimate interests would suffer significant harm.

If the [Commission][Agency] decides to assume ownership, it will formally notify the 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 in Chapter 6.

ARTICLE 27 — PROTECTION OF RESULTS — VISIBILITY OF EU FUNDING

27.1 General obligation to protect the results

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

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

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

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

If the beneficiary intends not to protect its results, to stop protecting them or not seek an extension of protection, [the EU][Euratom][the Agency] may — under certain conditions (see Article 26.4) — assume ownership to ensure their (continued) protection.

27.3 Information on EU funding

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

"The project leading to this application has received funding from the European Union's Horizon 2020 research and innovation programme under the Marie Skłodowska-Curie grant agreement No [number]."

27.4 Consequences of non-compliance

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

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

ARTICLE 28 — EXPLOITATION OF RESULTS

28.1 General obligation to exploit the results

The beneficiary must — up to four years after the period set out in Article 3 — take measures aiming to ensure ‘**exploitation**’ of its results (either directly or indirectly, in particular through transfer or licensing; see Article 30) by:

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

[OPTION for additional exploitation obligations if foreseen in the work programme: In addition, the beneficiary must — up to four years after the period set out in Article 3 — comply with the additional exploitation obligations set out in Annex 1.]

This does not change the security obligations in Article 37, which still apply.

28.2 Results that could contribute to European or international standards — Information on EU funding

[OPTION for results that could contribute to standards: If results could reasonably be expected to contribute to European or international standards, the beneficiary must — up to four years after the period set out in Article 3 — inform the Agency.]

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

"Results incorporated in this standard have received funding from the European Union's Horizon 2020 research and innovation programme under the Marie Skłodowska-Curie grant agreement No [number]."

28.3 Consequences of non-compliance

If the beneficiary breaches any of its obligations under this Article, the grant may be reduced in accordance with Article 43.

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

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

29.1 General obligation to disseminate results

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

[OPTION for additional dissemination obligations if foreseen in the work programme: In addition, the beneficiary must comply with the additional dissemination obligations set out in Annex 1.]

[OPTION for additional dissemination obligations for interoperability if foreseen in the work programme: Moreover, the beneficiary must — up to four years after the period set out in Article 3 — disseminate any technical specifications of the results that are needed for interoperability.]

[OPTION for additional dissemination obligations for cross-border interoperability if foreseen in the work programme: Moreover, the beneficiary must — up to four years after the period set out in Article 3 — disseminate the deliverables relating to cross-border interoperability (see Annex 1) and any results needed for cross-border interoperability (in particular common technical specifications and software components).]

This does not change the obligation to protect results in Article 27, the confidentiality obligations in Article 36, the security obligations in Article 37 or the obligations to protect personal data in Article 39, all of which still apply.

If the beneficiary intends not to protect its results, it may — under certain conditions (see Article 26.4.1) — need to formally notify the [Commission][Agency] before dissemination takes place.

29.2 Open access to scientific publications

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

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

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

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

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

- the terms "Marie Skłodowska-Curie Actions";
- the project name, acronym and grant number;
- the publication date and length of embargo period;
- a persistent identifier.

29.3 Open access to research data

[OPTION for actions participating in the open Research Data Pilot: Regarding the digital research data generated in the action ('data'), the beneficiary must:

- (a) *deposit in a research data repository and take measures to make it possible for third parties to access, mine, exploit, reproduce and disseminate — free of charge for any user — the following:*
 - (i) *the data, including associated metadata, needed to validate the results presented in scientific publications as soon as possible;*
 - (ii) *other data, including associated metadata, as specified and within the deadlines laid down in the 'data management plan' (see Annex 1);*

- (b) *provide information — via the repository — about tools and instruments at the disposal of the beneficiary and necessary for validating the results (and — where possible — provide the tools and instruments themselves).*

This does not change the obligation to protect results in Article 27, the confidentiality obligations in Article 36, the security obligations in Article 37 or the obligations to protect personal data in Article 39, all of which still apply.

As an exception, the beneficiary does not have to ensure open access to specific parts of its research data if the achievement of the action's main objective, as described in Annex 1, would be jeopardised by making those specific parts of the research data openly accessible. In this case, the data management plan must contain the reasons for not giving access.]

[OPTION: not applicable]

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

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

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

“This project has received funding from the European Union’s Horizon 2020 research and innovation programme under the Marie Skłodowska-Curie grant agreement No [number]”.

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

For the purposes of their obligations under this Article, the beneficiary may use the EU emblem without first obtaining approval from the Agency.

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

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

29.5 Disclaimer excluding [Commission][Agency] responsibility

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

29.6 Consequences of non-compliance

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

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

ARTICLE 30 — TRANSFER AND LICENSING OF RESULTS

30.1 Transfer of ownership

The beneficiary may transfer ownership of its results.

It must however ensure that its obligations under Articles 26.2, 26.4, 27, 28, 29, 30 and 31 also apply to the new owner and that this owner has the obligation to pass them on in any subsequent transfer.

This does not change the security obligations in Article 37, which still apply.

30.2 Granting licences

The beneficiary may grant licences to its results (or otherwise give the right to exploit them), if:

- (a) this does not impede the access rights under Article 31 and
- (b) *[OPTION if additional exploitation obligations in Annex 1: the beneficiary complies with its additional exploitation obligations (see Article 28.1 and Annex 1)]*
[OPTION: not applicable].

This does not change the dissemination obligations in Article 29 or security obligations in Article 37, which still apply.

30.3 *[Commission][Agency]* right to object to transfers or licensing

[OPTION for EU grants: The [Commission][Agency] may — up to four years after the period set out in Article 3 — object to a transfer of ownership or the exclusive licensing of results, if:

- (a) it is to a third party established in a non-EU country not associated with Horizon 2020 and*
- (b) the [Commission][Agency] considers that the transfer or licence is not in line with EU interests regarding competitiveness or is inconsistent with ethical principles or security considerations.*

The beneficiary that intends to transfer ownership or grant an exclusive licence must formally notify the [Commission][Agency] before the intended transfer or licensing takes place and:

- identify the specific results concerned;*
- describe in detail the new owner or licensee and the planned or potential exploitation of the results, and*

- *include a reasoned assessment of the likely impact of the transfer or licence on EU competitiveness and its consistency with ethical principles and security considerations.*

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

If the [Commission][Agency] decides to object to a transfer or exclusive licence, it must formally notify the beneficiary within 60 days of receiving notification (or any additional information it has requested).

No transfer or licensing may take place in the following cases:

- *pending the [Commission][Agency] decision, within the period set out above;*
- *if the [Commission][Agency] objects;*
- *until the conditions are complied with, if the [Commission][Agency] objection comes with conditions.]*

[OPTION for Euratom grants: *The Commission may [OPTION:— up to four years after the period set out in Article 3 —] object to a transfer of ownership or the exclusive or non-exclusive licensing of results, if:*

- (a) *it is to a third party established in a non-EU country not associated to the Euratom research and training programme 2014-2018, and*
- (b) *the Commission considers that the transfer or licence is not in line with the EU interests regarding competitiveness or is inconsistent with ethical principles or security considerations.*

Security considerations include the defence interests of the Member States under Article 24 of the Euratom Treaty.

The beneficiary that intends to transfer ownership or grant a licence must formally notify the Commission before the intended transfer or licensing takes place and:

- *identify the specific results concerned;*
- *describe in detail the results, the new owner or licensee and the planned or potential exploitation of the results, and*
- *include a reasoned assessment of the likely impact of the transfer or licence on EU competitiveness and its consistency with ethical principles and security considerations.*

The Commission may request additional information.

If the Commission decides to object to a transfer or licence, it will formally notify the beneficiary within 60 days of receiving notification (or any additional information requested).

No transfer or licensing may take place in the following cases:

- *pending the Commission decision, within the period set out above;*
- *if the Commission objects;*
- *until the conditions are complied with, if the Commission objection comes with conditions.]*

[OPTION: not applicable]

30.4 Consequences of non-compliance

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

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

ARTICLE 31 — ACCESS RIGHTS TO RESULTS

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

The conditions set out in Article 25.1 apply.

The obligations set out in this Article do not change the security obligations in Article 37, which still apply.

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

Not applicable

31.3 Access rights for other beneficiaries, for exploiting their own results

Not applicable

31.4 Access rights of affiliated entities

Not applicable

31.5 Access rights for the EU institutions, bodies, offices or agencies and EU Member States

[OPTION by default for EU grants: 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).]

[OPTION for calls under Specific Objective ‘Secure societies - Protecting freedom and security of Europe and its citizens’: *The beneficiary must give access to its results — on a royalty-free basis — to EU institutions, bodies, offices and agencies as well as EU Member States’ national authorities, necessary for developing, implementing or monitoring their policies or programmes in this area.*

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

Access is conditional on an agreement to define specific conditions ensuring that:

- (a) the access will be used only for the intended purpose and*
- (b) appropriate confidentiality obligations are in place.*

The requesting EU Member State or EU institution, body, office or agency must inform all other EU Member States of such a request.

This does not change the security obligations in Article 37, which still apply.]

[OPTION for Euratom grants: *The beneficiary must give access to its results — on a royalty-free basis — to the European Atomic Energy Community (Euratom) and its joint undertakings, for developing, implementing and monitoring Euratom policies and programmes or for compliance with obligations assumed through international cooperation with third countries and international organisations.*

As an exception to Article 31.1, such access rights include the right to authorise third parties to use the results in public procurement and the right to sublicense and are limited to non-commercial and non-competitive use.]

31.6 Access rights for third parties

[OPTION for additional access rights for complementary grants if foreseen in the work programme: *The beneficiary must give — under the conditions set out below — access to its results to complementary beneficiaries¹⁶, for the purposes of the complementary grant agreement(s) (see Article 2).*

The beneficiary must give complementary beneficiaries access — on a royalty-free basis — to results needed for implementing their own tasks under the complementary grant.

The beneficiary must give complementary beneficiaries — under fair and reasonable conditions — access to results needed for exploiting their own results.

¹⁶ ‘Complementary beneficiary’ means a beneficiary of a complementary grant agreement.

‘Fair and reasonable conditions’ means appropriate conditions, including possible financial terms or royalty-free conditions, taking into account the specific circumstances of the request for access, for example the actual or potential value of the results to which access is requested and/or the scope, duration or other characteristics of the exploitation envisaged.

Requests for access for exploitation purposes may be made — unless agreed otherwise — up to one year after the period set out in Article 3.]

[OPTION for additional access rights for interoperability if foreseen in the work programme: *The beneficiary must give third parties — up to four years after the period set out in Article 3 and [OPTION: under fair and reasonable conditions][OPTION: on a royalty-free basis] — access to its results needed for interoperability.*

[OPTION if fair and reasonable conditions apply: *‘Fair and reasonable conditions’ means appropriate conditions, including possible financial terms or royalty-free conditions, taking into account the specific circumstances of the request for access, for example the actual or potential value of the results to which access is requested and/or the scope, duration or other characteristics of the exploitation envisaged.]]*

[OPTION for additional access rights for cross-border interoperability if foreseen in the work programme: *The beneficiary must give third parties — up to four years after the period set out in Article 3 and on a royalty-free basis — access to its results needed for interoperability, in particular for implementing the results in EU Member States or associated countries that are not participating in the action.*

The beneficiary must give access to software components under an EU public license (or compatible licenses) and must comply with any additional requirements set out in Annex 1.]

[OPTION for access to research infrastructures: *The access provider must give the users access to the results, if needed to implement the action.]*

[OPTION: not applicable]

31.7 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.

SECTION 4 OTHER RIGHTS AND OBLIGATIONS

ARTICLE 32 — RECRUITMENT AND WORKING CONDITIONS FOR RESEARCHERS

Not applicable

ARTICLE 33 — GENDER EQUALITY

33.1 Obligation to aim for gender equality

The beneficiary must take all measures to promote equal opportunities between men and women in the implementation of the action. It must aim, to the extent possible, for a gender balance at all levels of personnel assigned to the action, including at supervisory and managerial level.

33.2 Consequences of non-compliance

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

ARTICLE 34 — ETHICS

34.1 General obligation to comply with ethical principles

The beneficiary must carry out the action in compliance with:

- (a) ethical principles (including the highest standards of research integrity — as set out, for instance, in the European Code of Conduct for Research Integrity¹⁷ — and including, in particular, avoiding fabrication, falsification, plagiarism or other research misconduct) 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.

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.

34.2 Activities raising ethical issues

¹⁷ The European Code of Conduct for Research Integrity of ALLEA (All European Academies) and ESF (European Science Foundation) of March 2011.
http://www.esf.org/fileadmin/Public_documents/Publications/Code_Conduct_ResearchIntegrity.pdf

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

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

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

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

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

34.3 Activities involving human embryos or human embryonic stem cells

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

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

[OPTION: not applicable]

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

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

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

35.2 Consequences of non-compliance

If 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 36 — CONFIDENTIALITY

36.1 General obligation to maintain confidentiality

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

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

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

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

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

- (b) need to know to implement the Agreement and
- (c) are bound by an obligation of confidentiality.

This does not change the security obligations in Article 37, which still apply.

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

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

Under the conditions set out in Article 4 of the Rules for participation Regulation No XXX/2013¹⁸, the Commission must moreover make available information on the results to other EU institutions, bodies, offices or agencies as well as Member States or associated countries.

The confidentiality obligations no longer apply if:

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

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

37.1 Activities raising security issues

[OPTION: Before disclosing results of activities raising security issues to a third party (including affiliated entities), the beneficiary must request written approval from the [Commission][Agency].]

[OPTION: not applicable]

37.2 Classified deliverables

[OPTION: Activities related to ‘classified deliverables’ (see Annex 1) must comply with the ‘security requirements’ (Security Aspect Letter (SAL) and the Security Classification Guide (SCG)) set out in Annex 1 until they are declassified.

Action tasks related to classified deliverables may not be subcontracted without prior explicit written approval from the [Commission][Agency].

¹⁸ Regulation (EU) No XX/2013 of the European Parliament and of the Council of XX laying down the rules for the participation and dissemination in Horizon 2020 – the Framework Programme for Research and Innovation (2014-2020) (OJ L XX, XX, p. XX).

The beneficiary must inform the [Commission][Agency] of any changes in the security context and — if necessary — request for Annex 1 to be amended (see Article 55).]

[OPTION: not applicable]

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

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

Before the beginning of the activity, the beneficiary must submit to the [Commission][Agency] (see Article 52) a copy of any export or transfer licences required under EU, national or international law.]

[OPTION: not applicable]

37.4 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.]

[OPTION: not applicable]

ARTICLE 38 — PROMOTING THE ACTION — VISIBILITY OF EU FUNDING

38.1 Communication activities by the beneficiary

38.1.1 General obligation to promote the action and its results

The beneficiaries must promote the action and its results by providing targeted information to multiple audiences (including the media and the public) in a strategic and effective manner.

This does not change the dissemination requirements in Article 29, the confidentiality obligations in Article 36 or the security obligations in Article 37, all of which still apply.

Before engaging in a communication activity expected to have a mainstream media coverage the beneficiaries must inform the Agency (see Article 52).

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

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.) and any infrastructure funded by the grant must :

- (a) display the European Union emblem and

(b) include the following statement:

"This project has received funding from the European Union's Horizon 2020 research and innovation programme under the Marie Skłodowska-Curie grant agreement No [number]."

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

For the purposes of its obligations under this Article, the beneficiary may use the EU emblem without first obtaining approval from the Agency.

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

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

38.1.3 Disclaimer excluding [Commission][Agency] responsibility

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

38.2 Communication activities by the [Commission][Agency]

38.2.1 Right to use beneficiary's materials, documents or information

The [Commission][Agency] may use, for its 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 that it receives from the beneficiary (including in electronic form).

This does not change the confidentiality obligations in Article 36 and the security obligations in Article 37, all of which still apply.

However, if the [Commission's][Agency's] use of these materials, documents or information would risk compromising legitimate interests, the beneficiary may request the [Commission][Agency] not to use it (see Article 52).

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 [Commission][Agency] 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 No 1049/2001¹⁹, without the right to reproduce or exploit;
- (f) **storage** in paper, electronic or other form;
- (g) **archiving**, in line with applicable document-management rules, and
- (h) the right to authorise **third parties** to act on its behalf or sub-license the modes of use set out in Points (b), (c), (d) and (f) to third parties if needed for the communication and publicising activities of the [Commission][Agency].

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

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

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

38.3 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 39 — PROCESSING OF PERSONAL DATA

39.1 Processing of personal data by the [Commission][Agency]

Any personal data under the Agreement will be processed by the [Commission][Agency] under Regulation No 45/2001²⁰ and according to the ‘notifications of the processing operations’ to the Data Protection Officer (DPO) of the [Commission][Agency] (publicly accessible in the DPO register).

¹⁹ Regulation (EC) No 1049/2001 of the European Parliament and of the Council of 30 May 2001 regarding public access to European Parliament, Council and Commission documents, OJ L 145, 31.5.2001, p. 43.

²⁰ 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).

Such data will be processed by the ‘**data controller**’ of the [Commission][Agency] for the purposes of implementing, managing and monitoring the Agreement (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 ‘service specific privacy statement (SSPS)’ on the [Commission’s][Agency’s] 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 [Commission][Agency]. For this purpose, it must provide them with the service specific privacy statement (SSPS) (see above), before transmitting their data to the [Commission][Agency].

39.3 Consequences of non-compliance

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

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

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

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

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

CHAPTER 5 DIVISION OF THE BENEFICIARY’S ROLES AND RESPONSIBILITIES [— RELATIONSHIP WITH COMPLEMENTARY

BENEFICIARIES] [— RELATIONSHIP WITH PARTNERS OF A JOINT ACTION]

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

41.1 Role and responsibility towards the [Commission][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 [Commission][Agency] immediately of any events or circumstances likely to affect significantly or delay the implementation of the action (see Article 17);
- (c) submit the deliverables and reports to the [Commission][Agency] (see Articles 19 and 20);
- (d) submit to the [Commission][Agency] in good time any documents or information required by them

and may not 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 — PENALTIES — DAMAGES — SUSPENSION — TERMINATION — FORCE MAJEURE

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

ARTICLE 42 — REJECTION OF INELIGIBLE COSTS

42.1 Conditions

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

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

42.2 Ineligible costs to be rejected — Calculation — Procedure

Ineligible costs will be rejected in full [*OPTION if lump sum foreseen in Article 5.2; except for lump sum costs, which will be rejected proportionally to the tasks or parts of the action not implemented*].

If the [Commission][Agency] rejects costs **without reduction of the grant** (see Article 43) or **recovery of undue amounts** (see Article 44), it will formally notify the beneficiary 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 [Commission][Agency] of its disagreement and the reasons why.

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

42.3 Effects

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

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

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

ARTICLE 43 — REDUCTION OF THE GRANT

43.1 Conditions

43.1.1 The *[Commission]**[Agency]* may — **at the payment of the balance or afterwards** — reduce the maximum grant amount (see Article 5.1), if the action has not been implemented properly as described in Annex 1 or another obligation under the Agreement has been breached.

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

43.2 Amount to be reduced — Calculation — Procedure

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

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

43.3 Effects

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

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

ARTICLE 44 — RECOVERY OF UNDUE AMOUNTS

44.1 Amount to be recovered — Calculation — Procedure

The *[Commission]**[Agency]* will — **at the payment of the balance or afterwards** — recover 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 [Commission][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 [Commission][Agency] decides to pursue recovery despite the observations it has received, it will **confirm recovery** (together with the notification of amounts due; see Article 21.5) and:

- pay the difference between the amount to be recovered and the amount retained for the Guarantee Fund, **if the difference is positive** or
- formally notify to the 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 [Commission][Agency] will **recover** the amount:

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

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

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

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

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

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

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

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

44.1.3 Recovery of amounts after payment of the balance

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

The [Commission][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 [Commission][Agency] decides to pursue recovery despite the observations it has received, it will **confirm** the amount to be recovered and formally notify to the beneficiary a **debit note**. This note will also specify the terms and the date for payment.

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

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

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

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

- (i) *[OPTION if Article 14 applies and joint and several liability has been requested by the [Commission][Agency]: if a linked third party has accepted joint and several liability (see Article 14), by **holding the third party liable** up to the maximum EU contribution indicated, for the linked*

third party, in the estimated budget (see Annex 2) and/or] [OPTION: not applicable]

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

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

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

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

ARTICLE 45 — ADMINISTRATIVE AND FINANCIAL PENALTIES

45.1 Conditions

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

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

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

45.2 Duration — Amount of penalty — Calculation

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

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

Financial penalties will be between 2% and 10% of the maximum EU contribution in the estimated budget (see Annex 2).

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

45.3 Procedure

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

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

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

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

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

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

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

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

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

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

SECTION 2 LIABILITY FOR DAMAGES

ARTICLE 46 — LIABILITY FOR DAMAGES

46.1 Liability of the [Commission][Agency]

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

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

46.2 Liability of the beneficiary

46.2.1 Conditions

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

46.2.2 Amount of damages — Calculation

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

46.2.3 Procedure

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

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

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

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

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

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

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

If payment is not made by the date in the debit note, the amount to be recovered (see above) will be increased by **late-payment interest** at the rate set out in Article 21.11, from the day

following the payment date in the debit note, up to and including the date the [Commission][Agency] receives full payment of the amount.

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

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

SECTION 3 SUSPENSION AND TERMINATION

ARTICLE 47 — SUSPENSION OF PAYMENT DEADLINE

47.1 Conditions

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

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

47.2 Procedure

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

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

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

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

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

ARTICLE 48 — SUSPENSION OF PAYMENTS

48.1 Conditions

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

- (a) has committed or is suspected of having committed substantial errors, irregularities, fraud or serious breach of obligations in the award procedure or under this Agreement or
- (b) has committed — in other EU or Euratom grants awarded to it under similar conditions — systemic or recurrent errors, irregularities, fraud or serious breach of obligations that have a material impact on this grant (**extension of findings from other grants to this grant**; see Article 22.5.2).

48.2 Procedure

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

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

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

During the suspension, the beneficiary must not submit a periodic report(s) (see Article 20.3). When the [Commission][Agency] resumes payments, the beneficiary may include them in the next periodic report.

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 *[Commission][Agency]* the suspension (see Article 52), stating:

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

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

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

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

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

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

49.2.1 Conditions

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

- (a) if the beneficiary has committed or is suspected of having committed substantial errors, irregularities, fraud or serious breach of obligations in the award procedure or under this Agreement;
- (b) if the beneficiary has committed — in other EU or Euratom grants awarded to it under similar conditions — systemic or recurrent errors, irregularities, fraud or serious breach of obligations that have a material impact on this grant (**extension of findings from other grants to this grant**; see Article 22.5.2), or
- (c) if the action is suspected of having lost its scientific or technological relevance.

49.2.2 Procedure

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

The suspension will **take effect** five days after confirmation notification is received by the 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 [Commission][Agency] (see Article 46).

Suspension of the action implementation does not affect the [Commission's][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 [Commission][Agency] (see Article 52), stating:

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

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

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

50.1.2 Effects

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

- (i) a periodic report (for the open reporting period until termination; see Article 20.3) and
- (ii) the final report (see Article 20.4).

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

The [Commission][Agency] will **calculate** the final grant amount (see Article 5.3) and the balance (see Article 21.4) on the basis of the reports submitted. Only costs incurred until termination are eligible (see Article 6). Costs relating to contracts due for execution only after termination are not eligible.

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

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

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

Not applicable

50.3 Termination of the Agreement, by the [Commission][Agency]

50.3.1 Conditions

The [Commission][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) *[OPTION for joint actions (joint call with a third country or an international organisation): the third country or international organisation action (see Article 2) has not started by the date specified in Annex 1.][OPTION: not applicable];*
- (j) *[OPTION for joint actions (joint call with a third country or an international organisation): the third country or international organisation action (see Article 2) is terminated or can no longer contribute to the action][OPTION: not applicable];*
- (k) 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 affecting the EU's financial interests;
- (l) the beneficiary (or a natural person who has the power to represent or take decisions on its behalf) has — in the award procedure or under the Agreement — committed:
 - (i) substantial errors, irregularities, fraud or
 - (ii) serious breach of obligations, including improper implementation of the action, submission of false information, failure to provide required information, breach of ethical principles;
- (m) the beneficiary has committed — in other EU or Euratom grants awarded to it under similar conditions — systemic or recurrent errors, irregularities, fraud or serious breach of obligations that have a material impact on this grant ('**extension of findings from other grants to this grant**').

50.3.2 Procedure

Before terminating the Agreement, the [Commission][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 [Commission][Agency] of the measures to ensure compliance with the obligations under the Agreement.

If the [Commission][Agency] does not receive observations or decides to pursue the procedure despite the observations it has received, it will formally notify to the 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 (see above);
- for terminations under Points (d), (f), (i), (k), (l.i) and (m) above: on the day after notification is received by the beneficiary.

50.3.3 Effects

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

- (i) a periodic report (for the last open reporting period until termination; see Article 20.3) and
- (ii) a final report (see Article 20.4).

If the Agreement is terminated for breach of the obligation to submit the reports (see Articles 20.8 and 50.3.1(l)), the beneficiary may not submit any reports after termination.

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

The *[Commission][Agency]* will **calculate** the final grant amount (see Article 5.3) and the balance (see Article 21.4) on the basis of the reports submitted. Only costs incurred until termination takes effect are eligible (see Article 6). Costs relating to contracts due for execution only after termination are not eligible.

This does not affect the *[Commission's][Agency's]* right to reduce the grant (see Article 43) or to impose administrative and financial penalties (Article 45).

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

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

SECTION 4 FORCE MAJEURE

ARTICLE 51 — FORCE MAJEURE

51.1 Force majeure

'Force majeure' means any situation or event that:

- prevents either party from fulfilling their obligations under the Agreement,

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

The following cannot be invoked as force majeure:

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

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

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

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

CHAPTER 7 FINAL PROVISIONS

ARTICLE 52 — COMMUNICATION BETWEEN THE PARTIES

52.1 Form and means of communication

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

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

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

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

Communications in the electronic exchange system must be made by persons authorised according to the 'Terms and Conditions of Use of the electronic exchange system'. For naming the authorised persons, the beneficiary must have designated to the [Commission][Agency] — before the signature of this Agreement — a 'Legal Entity

Grant Agreement number: [insert number] [insert acronym] [insert call identifier of the master call]

H2020 Model Grant Agreement: MSC-COFUND: December 2013

Appointed Representative (LEAR)'. The role and tasks of the LEAR are stipulated in his/her appointment letter (see Terms and Conditions of Use of the electronic exchange system).

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

52.2 Date of communication

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

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

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

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

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

52.3 Addresses for communication

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

[insert URL]

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

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

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

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

ARTICLE 53 — INTERPRETATION OF THE AGREEMENT

53.1 Precedence of the Terms and Conditions over the Annexes

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

The provisions in Annex 2 take precedence over Annex 1.

53.2 Privileges and immunities

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

[OPTION: not applicable]

ARTICLE 54 — CALCULATION OF PERIODS, DATES AND DEADLINES

In accordance with Regulation No 1182/71²¹, periods expressed in days, months or years are calculated from the moment the triggering event occurs.

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

ARTICLE 55 — AMENDMENTS TO THE AGREEMENT

55.1 Conditions

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

Amendments may be requested by any of the parties.

55.2 Procedure

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

The request for amendment must include:

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

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

²¹ 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).

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

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

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

ARTICLE 56 — ACCESSION TO THE AGREEMENT

Not applicable

ARTICLE 57 — APPLICABLE LAW AND SETTLEMENT OF DISPUTES

57.1 Applicable law

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

[OPTION for international organisations that accept application of Union law but not Belgium law: For [insert name(s) of the international organisation concerned], the Agreement is governed by the applicable EU law supplemented if necessary by the law of [insert name of a Member State of an EFTA country] [and, where appropriate, by the rules of the general principles governing the law of international organisations and the rules of general international law].]

57.2 Dispute settlement

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

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

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

Grant Agreement number: [insert number] [insert acronym] [insert call identifier of the master call]

H2020 Model Grant Agreement: MSC-COFUND: December 2013

[OPTION if the beneficiary is an international organisation:

Disputes between the beneficiary and the [Commission][Agency] relating to the Agreement must — if they cannot be settled amicably — will 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.]

ARTICLE 58 — ENTRY INTO FORCE OF THE AGREEMENT

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

SIGNATURES

For the beneficiary

[function/forename/surname]
[electronic signature]

Done in [English] on [electronic time stamp]

For the [Commission][Agency]

[forename/surname]
[electronic signature]

Done in [English] on [electronic time stamp]

Grant Agreement number: [insert number] [insert acronym] [insert call identifier of the master call]

H2020 Model Grant Agreement: MSC-COFUND: December 2013

ANNEX 1

DESCRIPTION OF THE ACTION

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MODEL ANNEX 2 FOR MSC COFUND

ESTIMATED BUDGET FOR THE ACTION

ANNEX 2

Number of units (researcher months)	A.1 Costs of researchers in programmes implemented by the beneficiary	A.2 Financial support to costs of researchers in programmes implemented by a third party
Employment		
Fixed amount fellowship		

Estimated eligible* costs (per budget category)					EU contribution			
Form of costs***	A. Costs of researchers		B. Institutional costs		Total costs	Reimbursement rate %	Maximum EU contribution**	Maximum grant amount
	A.1 Costs of researchers in programmes implemented by the beneficiary		A.2 Financial support to costs of researchers in programmes implemented by a third party					
	Unit		Unit					
	Costs per unit	Total (a) ****	Costs per unit	Total (b) ****	(c) = (a)+(b)	(d)	(e)	(f)

* See Article 6 for conditions for costs to be eligible

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

*** See Article 5 for forms of costs

**** Total = Costs per unit x Number of units (researcher months)

MODEL ANNEX 4 FOR MSC COFUND

FINANCIAL STATEMENT FOR BENEFICIARY [name]

ANNEX 4

			Eligible* costs (per budget category)			EU contribution			
			A. Costs of researchers (living allowance)	B. Institutional costs		Total costs	Reimbursement rate %	Maximum EU contribution **	Maximum grant amount
			A.1 Costs of researchers in programmes implemented by the beneficiary						
			A.2 Financial support to costs of researchers in programmes implemented by a third party						
Number of units (researcher months)	A.1 Costs of researchers in programmes implemented by the beneficiary	A.2 Financial support to costs of researchers in programmes implemented by a third party	Form of costs***		Unit	Unit			
			Costs per unit	Total (a) ****					
Employment									
Fixed amount fellowship									

Checkbox for researchers recruited under an employment contract:	I confirm that the total remuneration costs for each researcher per month are equal to or higher than EUR [*****]
Checkbox for researchers recruited under a fixed-amount fellowship agreement	I confirm that the total costs of each fixed-amount fellowship per month are equal to or higher than EUR [*****]

The beneficiary hereby also 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 The beneficiary must declare all eligible costs, even if - for actual costs, unit costs and flat-rate costs - they exceed the amounts indicated in the estimated budget (see Annex 2). Amounts not declared in the individual financial statement will not be taken into account by the Agency

* See Article 6 for conditions for costs to be eligible
 ** This is the theoretical amount of EU contribution if the reimbursement rate is applied to all the budgeted costs. The theoretical amount of EU contribution for the action is capped by the maximum grant amount.
 *** See Article 5 for forms of costs
 **** Total = Costs per unit x Number of units (researcher months)
 ***** DP: 2597,00; FP: 3675,00
 ***** DP: 1298,50; FP: 1837,50